

The NATIONAL UNDERWRITER

Life Insurance Edition

FINANCIAL STATEMENT

December 31, 1945

ASSETS

Bonds Owned		\$ 106,147,851.73
U. S. Government	\$48,562,950.00	
Canadian Government, Provinces and Cities	2,927,894.98	
Bonds of States of the United States	1,805,819.29	
Municipal Bonds	7,566,183.66	
Railroad Bonds	3,480,782.36	
Public Utility Bonds	32,020,197.69	
Industrial and Other Bonds	9,784,023.75	
Real Estate Loans		52,720,174.88
City Loans	46,728,629.54	
Farm Loans	5,991,545.34	
Stocks Owned		6,535,711.71
Cash in Banks and Offices		7,133,207.30
Real Estate Owned, of which \$1,977,159.95 is used in whole or in part for Com- pany purposes		1,994,391.94
Net Unpaid and Deferred Premiums		4,130,104.32
Policy Loans		5,581,771.37
Collateral Loans		214,360.00
Interest Due and Accrued		851,741.46
TOTAL ASSETS		\$ 185,309,314.71

LIABILITIES

Legal Reserve, Life and Annuity Contracts	\$ 155,653,961.00
Reserve, Disability Policies	2,195,584.00
Reserve for Epidemics and Mortality Fluctuation	2,500,000.00
Investment Fluctuation Fund	2,500,000.00
Gross Premiums and Interest Paid in Advance	1,663,807.40
Taxes Accrued But Not Due	1,348,532.66
Agents' Bond Deposits	651,694.11
Policy Claims in Process of Adjustment or Payment	1,085,134.39
Commissions Accrued to Agents, and All Other Items	958,494.88
Liabilities Other Than Capital and Surplus	\$ 168,557,208.44
Capital and Surplus	16,752,106.27
TOTAL LIABILITIES	\$ 185,309,314.71
Gain in Life Insurance in Force During 1945	\$ 136,769,503.00
Total Life Insurance in Force December 31, 1945	1,397,969,473.00

The
**NATIONAL LIFE
AND ACCIDENT
Insurance Company, Inc.**



C. R. CLEMENTS, Chairman of the Board

EDWIN W. CRAIG, President

FRIDAY, MARCH 1, 1946

CONDENSED STATEMENTS

DECEMBER 31, 1945

96TH ANNUAL STATEMENT AETNA LIFE INSURANCE COMPANY

Assets	\$ 1,152,901,151.05
Liabilities	1,032,993,804.42
Contingency reserve including group life reserve	59,900,000.00
Capital	60,007,346.63
Surplus	\$ 15,000,000.00
	<u>45,007,346.63</u>

39TH ANNUAL STATEMENT AETNA CASUALTY AND SURETY COMPANY

Assets	\$ 116,234,094.70
Liabilities	73,426,747.05
Contingency reserve	
Capital	
Surplus	\$ 7,600,000.00
	<u>6,000,000.00</u>
	29,207,347.65

33RD ANNUAL STATEMENT AUTOMOBILE INSURANCE COMPANY

Assets	\$ 44,479,833.42
Liabilities	24,240,758.74
Contingency reserve	
Capital	
Surplus	\$ 4,700,000.00
	<u>5,000,000.00</u>
	10,539,074.68

36TH ANNUAL STATEMENT STANDARD FIRE INSURANCE COMPANY

Assets	\$ 8,660,741.70
Liabilities	4,436,049.39
Contingency reserve	
Capital	
Surplus	\$ 900,000.00
	<u>1,000,000.00</u>
	2,324,692.31

Total premium income — all companies — 1945
Paid to or for policyholders since organization
Life insurance in force December 31, 1945

\$ 254,147,273.93
2,546,437,961.71
5,519,820,472.00

Significant Figures

Policyholders, stockholders and agents will each find the condensed statements above of individual interest and significance.

To policyholders, they assure lasting and dependable security and the financial ability to maintain a reputation for prompt and fair settlements in all the great fields of insurance — Life, Casualty, Fire and Marine.

To stockholders, they provide evidence of sound growth and effective utilization of the capital they have supplied.

To agents, they evidence the facilities of a modern and progressive institution, one that is alert in its service and co-operation with ambitious producers in every branch of our great industry.

Arthur W. Brainerd
President

Life • Casualty  *Fire • Marine*
AETNA LIFE INSURANCE COMPANY AUTOMOBILE INSURANCE COMPANY
AETNA CASUALTY AND SURETY COMPANY STANDARD FIRE INSURANCE COMPANY
Hartford, Connecticut

Vincent Welch in Charge of All Equitable Production

**Moves from Group to
No. 1 Agency Post—
Graham Research Chief**

NEW YORK—Equitable Society has elected Vincent S. Welch a vice-president in charge of agency and sales operation, Merle A. Gulick general manager of the group department, and William M. Donohue, second vice-president in charge of the policy issue and service department.

Vice-president William J. Graham, long a capital figure of Equitable, is retiring from the agency department to



Vincent S. Welch



W. J. Graham

be in charge of a survey of insurance and annuity coverage offered by Equitable as the first step toward the establishment of a research department which he will direct.

Mr. Welch attended the University of Pennsylvania and later was director of athletics and football coach at Hobart College. He went with Equitable in 1929, became manager of the group department in 1943, second vice-presi-



W. M. Donohue



M. A. Gulick

dent in 1937 and vice-president in charge of group insurance in 1943.

Mr. Gulick served 3½ years with the coast guard, became captain and was chief of the ports securities division. He is a graduate of Hobart College and joined Equitable in 1930. He became associate manager of the group department in 1937 and later was divisional manager for group insurance in the New York City area. In 1939 he was executive vice-chairman of the Greater New York Fund. In 1940 he became director of public relations for Equitable.

Mr. Donohue has been with the company since 1906 when he started in the auditor's department. After serving as captain in the army in the first war he returned to Equitable and became assistant superintendent of the bureau of

(CONTINUED ON PAGE 15)

Costello Named N.A.L.U. Trustee; Hill Steps Aside

John P. Costello, Southwestern Life agent at Dallas, has been elected as a trustee of the National Association of Life Underwriters, to fill the vacancy caused by the resignation of E. Dudley Colhoun who was recently appointed superintendent of agencies of Shenandoah Life.

In making the announcement President C. D. Connell stated that the spe-



JOHN P. COSTELLO

cial nominating committee presented to the board of trustees for their consideration an all-agent slate of three candidates: Mr. Costello, Theo M. Green, Massachusetts Mutual, Oklahoma City, and John R. Humphries, Provident Life & Accident, Chattanooga.

Among the 15 names officially endorsed for consideration by the committee was that of Herbert R. Hill, manager of Life of Virginia, Richmond. The committee felt very strongly in favor of Mr. Hill but he expressed his opinion to the board that it was in the best interests of the association that an agent be elected and requested that his name be withheld at this time.

Mr. Costello entered the business 20 years ago with his present company. After two years in the home office he took up personal production in 1922, since which time he has been one of his company's leading producers, both in number of applications and volume of business written. He has been president of the Southwestern Life Club and charter member and president of the Life Top Club. He is a member of the Million Dollar Round Table.

He was the first chairman of the Texas Leaders' Round Table in 1935; he received his C.L.U. designation in 1937 and was president of the Dallas C.L.U. chapter in 1939. He is a past president of the Dallas and Texas state associations. Mr. Costello has appeared on the N.A.L.U. convention program and is in great demand as a speaker on association meeting and sales congress platforms.

Crown Life, Can., Promotions

The Crown Life of Toronto has advanced N. D. Campbell, J. E. Moore and G. N. Watson to assistant actuaries; J. F. Tourgis to agency secretary and E. F. Vardon to underwriting secretary.

Find Touch of Blue Sky in 'Fed's' War Bond-Insurance Idea

Life insurance men gave a puzzled look at the story that was turned out last Saturday about a study on the part of certain experts on the Federal Reserve Board staff for trading government life insurance and unemployment insurance for war bonds.

This scheme, it is stated, was not endorsed by the Federal Reserve but it was released by the board of governors as expressing the views of the authors who are members of the staff.

The main interest was in the significance of this publicity, whether it was a trial balloon or simply represented some innocent doodling.

One criticism immediately voiced was that war bonds have been sold to the public as the very finest type of investment in their own right, and the great emphasis has been on trying to sell these bonds to individuals so as to keep down the amount of government bond financing by banks. Any scheme to turn these E bonds into an insurance proposition or anything else is likely to cheapen the securities in the estimation of the public and cause widespread cashing in on them. The idea is reminiscent of the old whiskey warehouse receipt racket and the blue sky trick of selling say, a 10 year investment plan and as the time approaches to pay off, getting the customer to take a load of stock or a new series of bonds instead of just the money.

Supplement Jobless Benefits

According to this scheme of the Federal Reserve Board staff, the Treasury Department would sell individual units of unemployment insurance to supplement the unemployment compensation provided under the social security act. The purchasers could pay for it either in war bonds or in cash.

Also according to this scheme the Treasury could swap life insurance and annuities for war bonds, "and, in periods when additional savings are needed, through special offerings for cash."

The report goes on to say that cash offerings could be made through the insurance companies if government competition in the insurance field were feared. Just what that means it is difficult to say. It seems to mean that if the government decided that the people should save more money, the Treasury Department would direct the people to go to life insurance companies and buy insurance with cash.

Another proposal is that the Treasury could offer "stable purchasing power bonds" in exchange for any government security held by an individual, and new offerings could also be made in this form.

According to the authors such bonds should be non-marketable and should be redeemable only with some penalty. This plan would be aimed mainly at investors for whom maintenance of purchasing power is important.

One reason why life insurance men feel that the plan has little chance is that the recent report prepared for the House ways and means committee by its social security technical staff (the Calhoun report) deals at length with government annuity proposals, cites experience in Canada, and Great Britain, and thoroughly deflates the arguments for voluntary government annuities.

The report makes it clear that a government annuity plan would not only invade a field already adequately served by private insurance but would be able to undersell private companies only through a substantial subsidy.

Social Security Hearings Start; Presage Changes

**Leaders Seek to
Confine Discussion
to Capital Points**

By H. C. HALLAM

WASHINGTON—Hearings on social security legislation began Monday before the House ways and means committee, with Chairman Arthur Altmeyer of the social security board appearing as first witness.

Indications are that hearings will be lengthy. Indications are that the main topics will be the possibility of a stabilized payroll tax that will stand for perhaps a decade; the possibilities for extending OASI coverage to include the self-employed, farm and domestic employees and other groups not now covered; the question of increasing retirement benefits and lowering the retirement age for women to age 60.

The committee will have before it the suggestion of its study group headed by Comm. Leonard Calhoun that the 1% OASI tax on employers and employees be raised to 1½%, effective Jan. 1, 1947, and frozen at that figure for 10 years, with other increases to follow at succeeding intervals of 10 years.

May Open Flood Gates

For a number of years the ways and means committee has been instrumental in postponing important amendment of the law. It has handled the annual tax-freezing bills. Committeemen realize that in opening hearings on the subject they may be opening the floodgates to a tremendous wave of demands for changes. Difficulty may be experienced in limiting these.

Not the least of the changes demanded concerns credits for veterans under OASI for their period of military service. It is said that the demands of veterans probably has had as much to do with the decision to consider social security law revision as any other cause.

Since 1939, when the last major revision of the law was enacted a total of 294 bills dealing with OASI and unemployment compensation have been introduced in Congress.

Next to veterans' demands for amendment come demands for groups of workers not now covered by the law. Treasury Department officials who had been opposed to including these groups under social security, because of the difficulty of ascertaining income of certain groups and of tax collecting from them and incidental record-keeping, are now reported to have acceded reluctantly to proposals of the social security board related to that problem.

Keeping on the Track

The 82-year-old chairman, Rep. Doughton, announced that witnesses are expected to confine their discussions to the subject on which testimony is currently being heard. Mr. Altmeyer read a prepared statement, followed by a series of summaries of recommendations and discussions with respect to old-age and survivors insurance, extension of coverage, increase of benefits, costs, financing, etc. He recommended such extension to farm labor, domestic work-

(CONTINUED FROM PAGE 12)

1945 Life Payments Over \$2 1-2 Billion, Reach Record High

More Than \$7¼ Million Daily Paid by Companies Last Year

American families received \$7,308,000 daily from life companies during 1945, compared with \$6,798,000 daily in 1944 and \$6,480,000 daily in 1943, the Institute of Life Insurance reports. Aggregate benefit payments were \$2,667,305,000 last year, \$2,481,257,000 in 1944 and \$2,365,249,000 in 1943.

Death benefits accounted for \$3,506,000 daily, making an aggregate of \$1,279,657,000 for 1945, a new record. Death benefit payments were up 6% from the \$1,204,718,000 in 1944 and 27% greater than the \$1,009,636,000 in 1941. Some increase was due to war claim payments, but the greater part reflected increased insurance owned by families, up 24% during the war years.

Benefits becoming payable to living policyholders totaled \$1,146,298,000 in 1945, an increase of 9% over 1944 payments of \$1,047,228,000 and 21% over the 1941 figure of \$950,741,000. Matured endowment payments accounted for \$406,669,000 an increase of 56% over the pre-war 1941 payments of this type. Annuity payments were \$185,956,000 last year, up 19% over pre-war level. Disability payments last year were \$87,601,000 and dividends to policyholders were \$466,072,000.

Calls for policy cash surrender values during 1945 were about 5% greater than in the previous year, most of the increase coming since V-J Day and reflecting employment and income dislocations. The 1945 cash surrender value payments of \$241,340,000 were 57% smaller than 1941 payments of this type.

Civilian death benefit payments and direct benefits to living policyholders exclusive of surrender payments is now between 15% and 20% greater than pre-war levels.

Prudential Pay Boost

Prudential is increasing by 10% the salaries of home office clerks that get less than \$200 a month. The new starting salary for clerks is now \$100. For those getting more than \$200 a month, a smaller percentage increase is applied.

Bill Would Permit N. Y. Companies to Buy Real Estate

ALBANY—A bill has been introduced in the state senate authorizing domestic life companies to invest up to 3% of their assets in income-producing real estate, subject to certain limitations. The life companies, which are backing the bill, wanted to be permitted to invest 5% but the department would not go along.

The bill excludes property used primarily for agricultural, horticultural, ranching, mining, amusement or club purposes. Also, the cost of any one parcel of real estate, including estimated improvements or developments, must not exceed one-quarter of 1% of the insurer's admitted assets. The superintendent's powers over valuation of investments are extended to these properties and there is a provision requiring an average write-down of at least 2% a year of the cost price.

Uniform Method to Be Used

If it appears at the end of any year that the aggregate net income before depreciation from all of these properties held by a company after deducting the amount of all previous write-downs, exceeds 4% a year on the total book value for the entire time they have been held this excess income is to be applied to further write-downs. The superintendent is empowered to prescribe uniform classification of all items of investment, income and expense and a uniform method of reporting such operations.

Object of the bill is to help solve the urgent problem of finding safe investments on which an adequate return can be obtained. It will also place the domestic companies in a more favorable competitive position with companies in other states, such as New Jersey, Connecticut, California, and Wisconsin, which have recently liberalized their laws to permit investments in real estate. The present New York law bars investments in real estate except home office properties and real estate obtained through foreclosure. On the latter there is a time limit, which, though it may be extended by the department, is aimed at eventual disposal of the properties. The law would permit transfer of foreclosed properties to the real estate account, if such properties meet the qualifications and limitations.

A number of life companies domiciled in states permitting investment in real estate are buying up to the limit allowed. One big company is specializing in buildings in which successful chain stores have leases.

Duel on Warpath Against NSLI Twisters

Commissioner Duel of Wisconsin has issued a sharp warning that a few insurance agents by misrepresentation are persuading veterans to drop their government insurance and to take commercial policies. According to the Wisconsin "State Journal" the warning is an outgrowth of what the paper calls "dismissal" of three agents. There was no formal charge preferred but the three men were "tried" by a group of Wisconsin insurance agents and found guilty. This, according to the Wisconsin "State Journal," was a courtesy extended to the industry to clean its own house.

Mr. Duel advised Leo B. Levenick, director of the state department of veterans affairs, that under the Wisconsin law, a license can be revoked for three years for this offense and he stated that he will not hesitate to take such action if the best interests of the veterans are being jeopardized.

A small minority of unscrupulous agents that are indulging in misrepresentation are not only working against the best interests of veterans, but are giving the entire insurance business a bad name, according to Mr. Duel.

Mr. Levenick issued a bulletin to county veterans service officers stating that despite the efforts of all reputable insurance agencies, advising the veterans to keep their government insurance, complaints are being received from veterans who have been misled. Levenick asks the county officers to advise him of any violation whether in the form of advertising or in advice or counsel. Such reports will be relayed to Commissioner Duel, he said.

Put Voluntary Sick Plans Under Handicap in Cal.

Insurance men's hopes for the sale of voluntary sick insurance plans under the California health insurance measure were seriously dampened by the passage of a supplementary bill increasing 100-fold the expense allowance for state supervision of voluntary plans.

The original bill provided a top of .0002% of wages of those under a voluntary plan but the supplementary bill makes this 0.2% of wages or about 2% of premiums. Since there is a 2½% premium tax in California it means that voluntary insured plans start off with a 4½% handicap as compared with the state fund, if the governor signs the supplementary bill.

These bills have passed the legislature and are before the governor.

Life Companies Investments for '45, Top \$121-4 Billion

63% in Government Securities Which Now Total 46% of Assets

More than 63% of new investments made by life companies in 1945 were in U. S. government securities and for the war years as a whole the ratio has been 68%, the Institute of Life Insurance reports. Last year's total purchases of government securities were \$7,769,000,000, the largest year on record, and holdings of such securities increased during the year by \$4,084,000,000 to a new high of \$20,497,000,000. This is 46% of total assets.

Purchases of other securities and mortgages in 1945 increased by more than 45%, the year's total of \$4,509,000,000 comparing with \$3,096,000,000 in 1944. These purchases were in large part refundings or replacements, the holdings of such investments showing a decrease of 1% during the year, to \$19,226,000,000.

Purchases last year and total holdings are:

	Purchases (000,000 omitted)		Holdings (000,000 omitted)	
	1945	1944	1945	1944
U. S. gov. sec...	7,769	7,585	20,497	16,413
Railroad bonds	884	425	2,746	2,627
Pub. Util. bonds	1,182	891	5,070	5,209
Industrial and misc. bonds...	912	454	1,858	1,855
Stocks	258	108	833	646
Municipal bonds	16	18	713	1,116
Foreign secur.	298	259	1,440	1,239
Farm mort...	123	133	771	739
F.H.A. mort...	193	283	1,379	1,408
Other mort...	643	525	4,416	4,476
Total	12,278	10,681	39,723	35,838

Two New Assistant Secretaries of New York Life

O. L. Nelson, Jr., and C. W. V. Meares have been appointed assistant secretaries of New York Life. They will assist in administrative work under the general supervision of Secretary C. J. Myers.

Mr. Nelson, who has just been released from the army, was graduated from West Point in 1924 and holds postgraduate degrees from Columbia and Harvard. Prior to 1941 he was instructor and then assistant professor in history, economics and government at West Point. In 1942 he was assigned to duty in the office of the chief of staff and in 1943 he was designated assistant chief of staff. He went overseas as deputy theater commander in the Mediterranean theater of operations in January, 1945. More recently he has been special adviser on organization and administrative matters in the State Department. He held the rank of major general.

Mr. Meares has been assistant manager of the actuarial department for four years. His entire business career has been with New York Life, where he started in 1923 in the actuarial department. For many years he was head of the mathematical division of that department. In 1940 he became administrative assistant to Actuary William V. Herbert in matters relating to personnel in the actuarial department. He has served on a number of company committees dealing with debit, personnel and salaries, space, simplification of procedures.

FIGURES FROM DEC. 31, 1945, STATEMENTS

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus. 1945	Ins. in Force Dec. 31, 1945	Increase in Ins. in Force	Prem. Income 1945	Total Income 1945	Benefits Paid 1945	Total Disburs. 1945
Aetna	1,152,901,151	112,124,051	60,007,346	406,658,876	5,519,820,472	548,178,954	143,372,695	214,434,783	79,671,042	114,212,674
Alliance	24,566,263	1,362,911	1,408,945	13,070,538	105,038,669	3,806,311	2,096,402	3,828,585	1,239,405	2,806,598
Amalgamated	3,544,038	2,109,349	3,178,944	669,000	46,019,900	7,498,500	2,651,875	2,670,149	1,049,967	1,264,741
Columbian Natl.	70,363,819	5,783,302	8,018,343	23,246,669	238,879,466	13,276,531	6,456,994	11,062,684	3,320,561	6,200,252
Empire State Mut.	2,879,501	292,202	170,528	3,186,659	15,457,086	1,756,516	509,853	1,405,903	170,528	1,099,743
Great Lakes, Ill.	142,935	—7,242	131,357	1,161,943	2,181,485	834,023	31,566	37,010	2,675	45,069
Homesteaders	5,118,457	202,881	208,556	3,095,447	20,014,407	248,461	708,084	963,776	385,154	771,023
John Hancock	1,837,622,237	206,295,536	156,239,101	886,934,924	7,256,618,763	452,825,735	290,146,138	391,062,942	124,060,213	197,385,361
Kansas City	170,160,406	11,765,167	9,300,455	83,039,556	609,581,090	54,317,235	17,350,856	26,705,836	9,575,448	15,912,157
Mutual, N. Y.	1,798,385,011	80,746,228	94,355,709	211,175,623	3,789,752,708	76,366,532	129,718,421	235,609,960	109,955,699	154,517,846
National L. & A.	185,309,315	29,544,390	16,752,106	221,441,570	1,397,969,473	136,769,503	53,092,607	61,795,303	12,358,383	32,779,153
Presb. Min. Fund	40,578,398	2,347,344	3,954,038	6,287,089	75,031,043	4,068,093	3,191,419	5,818,065	2,906,903	3,416,089
Progressive, Ga.	1,036,779	243,315	200,841	9,218,184	19,188,153	3,606,307	655,444	699,799	119,874	463,864
Reliance	204,591,255	19,637,684	10,440,868	74,423,787	687,524,093	49,503,004	24,618,691	10,154,527	18,256,888	17,747,120
Security L. & T.	14,341,713	1,946,961	1,246,314	30,698,063	109,752,732	12,602,175	2,655,543	3,828,294	790,692	1,747,120
Sunnet	1,533,247	206,597	351,600	2,642,645	16,946,194	1,249,000	351,905	448,362	95,787	256,603
United Services	2,269,962	253,503	238,867	25,129,422	—1,021,220	622,123	818,050	499,946	547,794
United Benefit	53,532,524	16,764,351	2,671,359	106,090,405	400,105,204	66,268,167	19,877,574	25,967,151	2,108,810	9,901,380
Volunteer State	34,801,756	2,377,380	2,020,943	14,023,100	120,085,810	6,415,210	3,341,018	5,709,650	2,132,690	3,347,897
West Coast	36,098,613	2,850,791	1,466,454	29,492,816	154,053,430	5,417,164	4,713,316	6,989,162	4,126,158
Wis. State Fund.	1,016,442	68,303	111,695	232,000	3,333,693	138,423	108,220	187,497	97,819	116,968
FRATERNALS										
A.O.U.W. of N. D.	14,354,287	785,548	1,010,419	3,555,341	52,378,347	1,546,660	1,421,318	2,247,758	883,565	1,475,625
Broth. Loc. Firem.	31,034,457	1,699,862	31,034,457	10,318,750	82,891,928	2,127,834	2,760,715	4,062,272	2,186,267	2,362,510
Catholic Knights	4,214,175	133,541	520,709	321,224	8,626,172	—49,539	185,801	472,301	218,285	282,035
Deg. of Hon. Prot.	20,737,616	936,192	2,592,310	5,840,289	64,941,250	2,530,804	1,361,578	2,256,627	825,406	1,428,238
Jr. Order U.A.M.	7,547,096	361,189	21,166	906,000	24,635,000	—48,000	933,802	1,453,821	604,674	1,093,170
Luth. Brotherhood	24,448,645	3,571,129	2,002,999	22,046,991	138,755,513	20,254,992	4,187,532	6,067,101	1,291,462	2,046,228
Maccabees	66,436,064	3,015,520	521,613	85,264,061	287,751,067	10,180,167	8,398,412	13,296,349	5,467,629	10,848,388
Standard Life	11,074,375	60,368	775,337	3,906,350	33,916,129	326,878	860,854	1,341,256	1,021,780	1,395,784

Ask Supreme Court to Pass on Retaliatory Law

New Question Posed in Am. Indemnity Kansas Tax Appeal

WASHINGTON — Constitutionality of state taxation of foreign insurers' premiums is again attacked before the U. S. Supreme Court, this time by American Indemnity in appealing from the supreme court of Kansas in suit against Commissioner Hobbs of that state. In No. 791, the company has filed in the supreme court a "statement as to jurisdiction" of that tribunal.

The appeal is from a Kansas decision refusing the company's demand for a writ to compel Hobbs to issue it a Kansas license without paying the premium taxes.

This case poses an issue that is not contained in the Prudential South Carolina premium tax litigation—over which the U. S. Supreme Court has taken jurisdiction. Involved in the American Indemnity case is the retaliatory feature of a discriminatory premium tax law, American Indemnity being from Texas, being charged 4.05% in Kansas instead of the 2% that is levied against other foreign insurers.

The Supreme Court has scheduled for argument March 4 No. 707, Prudential vs. Benjamin. This is the South Carolina premium tax case.

American Indemnity contends the Kansas law and taxes are unconstitutional and discriminatory, a burden upon interstate commerce, and not in line with public law 15 and the S.E.U.A. decision. Domestic companies are not subject to the taxes or to correlative or corresponding tax, American Indemnity says. It claims it is denied equal protection of the laws and deprived of property without due process. However, the Kansas court sustained the law, with 3 out of 7 judges dissenting.

The court is told the case is very important, that there are numerous cases in which the constitutionality of state premium taxes is being litigated. Importance is urged of obtaining final decision on questions at issue before the time comes for the companies to undertake additional litigation contesting the validity of 1946 premium taxes. The Kansas tax is declared to be retaliatory and not reciprocal.

Concerning the effect of public law 15, the company says "Congress has no authority to levy a tax in a particular state for the benefit of that state, nor does Congress have authority to adopt as its own a state law which it could not constitutionally enact. Congress has no authority to authorize the state of Kansas to levy a 2% tax, or a discriminatory retaliatory tax, on foreign insurance companies, but, if the interpretation placed on public law 15 by the supreme court of Kansas is permitted to stand, the effect is to delegate to the state authority which Congress itself does not possess; and so construed would violate . . . the Constitution."

The court's attention is called to the fact that 12 states of 28 "whose premium tax statutes as of Jan. 1, 1945, in petitioner's opinion placed a burden on interstate commerce have recently enacted legislation which either completely or practically eliminates the aforesaid premium tax discrimination."

Thus some states have "impliedly acknowledged" unconstitutionality of their premium taxes and "have voluntarily done what should be required of

all state legislatures" through a decision holding taxes such as that of Kansas unconstitutional.

American Indemnity says its business is interstate commerce and that the annual Kansas taxes in question on foreign companies yielding over \$1 million "bear no reasonable relationship" to the less than \$50,000 required for operation of the Kansas department.

Acknowledging that those engaged in interstate commerce may be taxed for a just share of the state tax burden, it is argued a state "may not lay a tax measured by the amount of interstate commerce, nor tax interstate commerce, nor deny to one engaged exclusively in interstate commerce the privilege of engaging in such commerce therein by enacting obviously hostile or practically discriminatory legislation."

If one is engaged in both intrastate and interstate commerce, the court is told, only intrastate business can be taxed and the tax must be segregated so as not to levy a burden upon interstate business, and the amount of tax on local business can not unreasonably exceed the cost of service.

Discrimination against interstate commerce is declared repugnant to the Constitution; so is the Kansas law, which imposes direct and unfair burdens on interstate commerce, thereby violating the commerce clause. The Kansas court erroneously interpreted public law 15, it is asserted, and in such a way as if the construction be correct, then that law is unconstitutional.

The Kansas retaliatory taxing law is declared repugnant to the Constitution.

Under it, American Indemnity says that state demands it pay 4.05% of premiums, thus doubling the 2% tax on other foreign companies. Oklahoma companies pay 4% in Kansas, the court is told, South Carolina companies 3%, California companies 2½%.

The retaliatory law disclosed "an unlawful and calculated purpose," according to the petition, and since the S.E.U.A.

Dividend Paid in Shoes to Insured Living in Greece

Acacia Mutual Life has paid many dividends in its time but never the kind that it paid recently to one of its policyholders now residing in Greece. Acacia received a letter from Patras, Greece, signed by Zacharias C. Christian. A former Birmingham restaurant chef, Mr. Christian had returned to Greece before the war.

During the five years that Greece was occupied by the enemy, Mr. Christian reminded Acacia, it had been impossible to receive the dividends due him on his \$1000 paid-up life policy. Now that the occupation is over, Mr. Christian asked for the dividends—but not in money.

Like millions of other Europeans, Mr. Christian and his family needed clothing. His letter said:

"I would like, if you permitted, to ask if it is possible to purchase me some kind of garments and shoes (size 7½) to cover any amount of money due to me (surplus). I mean the money you have had mailing me every year before the war and I will be very obliged to you, as I and my family being so bad in need of clothing outfit as they are so dear and very scarce in this country."

Acacia checked on the dividends due Mr. Christian and found that they came to \$13. A shopping tour resulted in the purchase of two pairs of shoes (size 7½), four pairs of socks and eight yards of print dress material. The much needed articles are now at sea on their way to Mr. Christian.

decision Texas, New Mexico, California, Oklahoma and other states have repealed their retaliatory taxing laws.

War Claim Payments Total \$290 Million on 243,700 Deaths

Amount to Only 6% of All Benefits During Entire War Period

Payment last year of \$129,520,000 in death benefits under life policies owned by members of the armed forces brought to nearly \$290 million the total of such war claims paid by American insurers since the start of the war, the Institute of Life Insurance reports.

Last year's war claims numbered 108,900, bringing the total for the entire war to 243,700.

During 1945, the war claim payments amounted to only about 10% of total death benefit payments, and for the war period as a whole, to only 6%. The ratio of total death benefits paid to total life insurance in force was practically the same in 1945 as in 1941.

71% Battle Deaths

Battle deaths accounted for 71% of total death claims on service persons, while accidental deaths, in large part the result of wartime activities, accounted for an additional 22%. Only 7% were disease deaths. The claims were as follows: battle deaths, 173,900; accident and other external causes, 54,000; disease, 15,800. The total benefits paid were: \$185,440,000 from battle deaths; \$74,090,000 from accidents; and \$30,370,000 from disease.

Of the aggregate war claims, \$225,560,000 were under 109,400 ordinary or group life insurance claims; \$64,340,000 were under 134,300 industrial life insurance claims.

Annuity Premiums Not Deductible

WASHINGTON—The tax court has held in the case of Lincoln Electric Co. that voluntary disbursements in purchase of annuities for certain employees in 1940 and additional payments for a similar purchase in 1941, as well as contributions in the latter year to a profit-sharing trust, are not deductible as (1) compensation for services actually rendered, (2) ordinary and necessary business expenses, or (3) as part of cost of goods sold to be reflected as such in computing gross income. Rather, the tax court held, they enter into computation of net income, and their deductibility from gross income is determined under section 23(a) internal revenue code.

The internal revenue commissioner disallowed \$1,055,546 as unreasonable compensation paid to certain designated officers and employees in 1941. At issue were whether the company could deduct under section 23, in 1940, \$400,008 premiums paid on a group annuity policy, and in 1941, \$575,206 premiums paid on such a policy, also \$1 million paid to Cleveland Trust Co., trustee under a trust for the benefit of certain employees.

The company bought the annuity policy from Sun Life of Canada. The company did not inform employees of amounts allocated to them under the annuity contract, the court finds. Employees did not report as income the amounts allocated to them out of funds used to purchase annuity contracts in 1940 and '41; nor did they report as 1941 income the share or interest allocated to them in the \$1 million trust fund.

The court sustained the commissioner.

Mathematical Brain

The latest sensation in the scientific world is a machine, named the Electronic Numerical Integrator and Computer, called for short the "Eniac."

Developed at the University of Pennsylvania by 200 workers in two years, at a cost of \$400,000, it is the largest electronic installation in the world, with 18,000 vacuum tubes linked by 500,000 soldered connections.

It is said to "operate at almost unfathomable speeds, wiping out the boundaries hitherto imposed by time limits of mortal thinking,—a 30 ton, all-electronic mathematical brain that solves the unsolvable. It solves any mathematical problem now known, opens a thrilling vista of a more certain grasp on reality for the world's thinkers."

The Eniac, it is announced, will do in two hours computing time a problem which would need 100 man-years of work by an unassisted mathematician.

Scientists are fascinated by this remarkable robot, and actuaries will be, too, but without apprehension as to competition. For it takes trained mathematicians to know how to make this "mathematical brain" work and especially to tell it what to think about.

THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Prudential Resumes Managerial Meets Dropped During War

NEWARK—Prudential is this year resuming its annual business conference of managers of ordinary agencies, and superintendents of industrial offices. Culminating the three days of conferences with home office executives, there will be a banquet at the Hotel Commodore, New York City, the evening of March 13.

Economist Discusses Effect of Changes on Life Insurance

All 432 attending the Washington-Baltimore Life Underwriters conference last week sat up and took notice when Dr. Meyer Jacobstein of Brookings Institute, told them that fundamental changes are taking place in the national economy which must inevitably effect the insurance business. He spoke of the

new pattern in distribution of national income, under which an increasing portion is going to low income segments. Farm income has doubled since the beginning of the war and wage earners are today receiving an increasingly larger percentage of every dollar.

Dr. Jacobstein said that a new trend is noticeable in the apparent drive to limit profits through price control. He said it is too soon to prophesy whether or not this profit-control philosophy will remain with us for a long period.

The net result of this new pattern of distribution is to leave proportionately less income to the unorganized workers, the white collared salaried people and the professional classes, he said. This is important to those who sell life insurance. Obviously persons in this middle class will not be able to purchase more life insurance, in fact many of them will find it necessary to let some of their policies lapse.

Selling Prospects Tougher

The situation in the next few years is anything but bright for the fellow with the fixed income, with the prospect of rising cost of living and no reduction in taxes. This means that the insurance selling job is going to be tougher.

Offsetting this possible shrinkage in business, is the fact that millions of wage earners and farmers will become better insurance prospects, Dr. Jacobstein said. He termed inevitable adoption of broader and more comprehensive social security. If the dollar value of government security is very modest, then many individuals will desire to supplement it with insurance from private companies.

He predicted the fiscal policy of the federal government would likely continue, keeping the interest rates depressed. All of this means that the cost of insurance must go up, reflecting itself either in higher premiums or lower dividends or both, Dr. Jacobstein said.

Insurance Produces Yield

Clifton E. Reynolds, assistant to the vice-president in charge of field management of Metropolitan Life, told his hearers that insurance was formerly bought to supplement yields, but today it is being purchased to produce a yield. Life insurance is the only investment which can guarantee security, he said. Taxes leave no great margin from yields on other investments. He termed security the greatest force in the economic motivation of the average American.

Income was never so widely distributed as it is today, Mr. Reynolds said. There was a time when 90% of the wealth of the nation was held by 10% of the people. The ratio today is more likely to be 40% of the wealth held by 10% of the people, with the rest well distributed.

Average Income \$4,000

Mr. Reynolds estimated the present average income at \$4,000 yearly and said that the average family is not sufficiently protected by life insurance. Despite competition from material goods, insurance buyers will be interested in security.

C. Brainerd Metheny, president of the Pittsburgh association, Fidelity Mutual Life, declared himself a firm believer in learning the insurance sales talk verbatim, no matter what plan is followed. He said that when the talk is learned verbatim, the agent learns to be easy and natural in giving it, with a favorable effect on the prospect.

Praises Programming

Mr. Metheny said he had used both package selling and programming methods. "It didn't do any harm to those I packaged, but it did do a lot of good for those I programmed," he said.

He said the agent's prime problem is finding out everything he can about a prospect, including the age at which he wishes to ease up, what minimum monthly income he wants at that age and what his obligations are. The agent must know what his client's possessions

Phillips Agency Head of Atlantic

RICHMOND—Chas. W. Phillips has been elected vice-president and superintendent of agencies, and H. Ernest Owen, assistant treasurer of Atlantic Life.

Mr. Phillips has been with Atlantic Life more than 25 years, having started with the Angus O. Swink agency at the age of 18 as a clerk, and four years later was named head of the conservation department of that large agency. In 1929 he was named vice-president of the Atlantic Agency, Inc., and in 1942 he was brought into the home office as manager of agencies. Two years later he was elevated to superintendent of agencies. He is now head of the agency department.

Mr. Phillips in 1936 was president of the Life Underwriters Association of Richmond.

Mr. Owen joined Atlantic in 1919. In recent years he has been chief accountant in the treasury department.



Chas. W. Phillips

E. B. Thurman Gives Eulogy at Houze Rites

At the funeral of W. M. Houze, who was Chicago general agent of John



E. B. Thurman

Hancock Mutual Life, E. B. Thurman, Chicago general agent of New England Mutual Life, gave the eulogy. A minister opened the rites with prayers and then Mr. Thurman took over. He gave a message and characterization of Mr. Houze that was personal and yet restrained. His performance would

have done credit to a professional churchman of the highest attainment. Mr. Thurman's part in the funeral was almost dramatic. The services were conducted in an undertaking establishment that was formerly a large private residence and the group was divided into several rooms and most of them were not able to see those that were speaking. There was a short pause after the prayers and then a new voice was heard. The life insurance men in the place almost instantly recognized it as the voice of Mr. Thurman, but a good many of the others undoubtedly thought that it was another minister despite the fact that Mr. Thurman made a number of allusions to his association with Mr. Houze in the life insurance business.

Clyde Gay, second vice-president, was to have represented the John Hancock head office at the funeral, but his train was more than five hours late and he was unable to be present. There were a number of John Hancock general agents present including Ralph W. Hoyer, Columbus; Charles A. Macauley, Detroit; Dan W. Flickinger, Indianapolis; James Clark, Peoria and James Edgecomb, El Paso.

There was a meeting of the western general agents of John Hancock under way at St. Louis at that time.

and earning powers are to accomplish his desires.

Mr. Metheny said that in his office they work on the predictable answer method. They are trained to ask only those questions to which they know the probable answer. In this way they direct the interview and know where they are going at all times.

R. C. Johnson Lauds Salesman's Job in "Your Life" Article

NEW YORK—The March issue of "Your Life" contains an article, "Selling May Be Your Post-War Job," by R. C. Johnson, assistant vice-president of New York Life. While it deals with selling generally, rather than in any specific field, the article contains many good motivating arguments for the prospective life insurance recruit.

Mr. Johnson points out that a good selling job offers independence and freedom of action, earnings are in proportion to effort and ability, whether the salesman is paid a straight commission, straight salary or a combination of both; it develops a man's personality, sharpens his mind and is a broadening experience; it performs a useful service in uncovering needs and persuading people to supply them and thus gives the salesman a strong feeling of accomplishment that builds his self-respect; and finally, selling is fun, giving salesmen the same enjoyment that other men get from a game of golf or a hunting trip.

Analyzing the qualities necessary for success as a salesman, in addition to such obvious factors as good health, pleasing appearance, a happy home life, honesty, ability to speak good English, Mr. Johnson says it is necessary to have a high rating of four other qualifications: (1) a tremendous drive coming from an abundant supply of physical and nervous energy—a combination of initiative, industry, perseverance, endurance and the ability to work without supervision; (2) intelligence and the imagination to know how his product may be used; (3) skill in handling people—the ability to make people like and respect him and to influence their thinking and actions; (4) a fighting spirit, naturally dominant and aggressive. The salesman must be optimistic and positive in his thinking and must have both physical and moral courage, for selling is filled with discouragements. He must have the spirit to keep going against what sometimes appear to be insurmountable obstacles.

French Lick Parley Expands

The meeting of the all industry committee at French Lick Springs, Ind., March 11-15 has expanded into more of a gathering than was at first anticipated. A. V. Gruhn, American Mutual Alliance, who is in charge of arrangements, got a commitment from the hotel to supply 15 rooms but that will probably not be enough. At the recent accident and health committee meeting of the insurance commissioners at Chicago, a number of the state officials became interested in attending the French Lick meeting and it is understood that the group will include Thompson of Oregon; Harrington, Massachusetts; Allyn, Connecticut; Dineen, New York; Dressel, Ohio; Pearson, Indiana, and McCormack, Tennessee.

Meetings of the all industry group with the conference committee of the commissioners are scheduled for March 11-12 and then the all industry committee and its various subcommittees are scheduled to hold sessions during the succeeding three days.

Henry Beers, vice-president in charge of the group department of Aetna Life, has been on a Pacific coast trip.

Large Life Insurance office in Cincinnati will train capable young woman either as Assistant Cashier or Cashier. Must be single. Splendid future. Please give full information as to age, education and experience. Address F-8, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



★ ONE ESPECIALLY GOOD SOURCE OF NEW MEN IS THE SALESMAN. TODAY MORE SALESMEN ARE WONDERING ABOUT THEIR LONG-TERM FUTURE THAN EVER BEFORE.

JOURNEYING TO CLEVELAND LAST WEEK, I talked with a young discharged service man who was given his old territory, but with little prospect of having anything to sell for months. "It's a straight commission job," he said, "How do they think I will live?"

A NEIGHBOR'S BOY had developed an excellent territory before the war. While he was in service, it was given to another man. So now the boy has the choice of starting over again in new territory or else. He rather favors the "or else."

A LARGE OFFICE EQUIPMENT COMPANY has announced a 25% reduction in commissions — disturbing the army of men selling all types of office equipment.

THE UNDERWRITER'S CAREER WITH ITS STABILITY, ITS PERMANENCE, ITS LACK OF RESTRICTIONS CERTAINLY SHOULD HAVE A POWERFUL APPEAL TO THE THOUSANDS OF DISTURBED SALESMEN.



PAUL SPEICHER
Managing Editor

THE INSURANCE
RESEARCH & REVIEW SERVICE
INDIANAPOLIS

A STATEMENT OF MANPOWER POLICY

NORTHWESTERN NATIONAL LIFE's management firmly believes that the best interests of the agent, the policyholder, and the public are served when life agents are in every respect independent businessmen standing on their own feet. In our opinion, the development of such strong, successful independent businessmen requires the highest type of Home Office leadership we can bring to the task. To that end:

- ★ We are providing our agency heads with the most thorough and practical selection devices we can create for selecting men competent to build a business of their own.
- ★ We are encouraging the selection largely of men who have proven successful in other fields and whose accumulated capital testifies to their ability to live within their margins, and are accepting fewer and fewer agents with previous life insurance experience.
- ★ We are sharply limiting the number of men who will be accepted under an NWNL franchise, limits for 1946 ranging in most cases from one to three men per agency, based upon the market available and the local agency's ability to properly train and successfully establish such men, but we are making a substantial investment in the training and stabilization of the men selected.
- ★ We are conscious of our obligation, along with that of all business, to keep post-war employment at as high a level as possible; for that reason we are standing firm against the temptation to recruit en masse and to use G. I. benefits as a new form of agency financing, both of which we believe will have the effect in the life insurance field of producing a large number of business failures.
- ★ We have developed a thorough Home Office training, made available only to selected, qualified men, certified through preliminary training in the local agency.
- ★ We have taken strong measures to prevent the development of a debtor-creditor relationship with agents.
- ★ We share the natural desire of all companies for volume growth, but our first consideration is for a high level of earnings per man, letting volume develop naturally and soundly.

We know that such a program leads to low turnover and to higher earnings per man, and we believe the program is in keeping with the best interests of NWNL and of the life insurance business as a whole.

NORTHWESTERN *National* LIFE
INSURANCE COMPANY

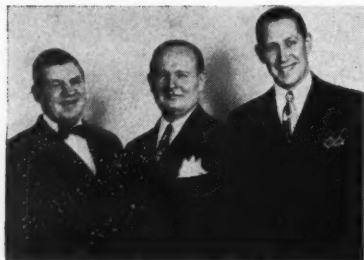
G. J. ARNOLD, PRESIDENT



MINNEAPOLIS-MINNESOTA

N. W. Mutual Men Head 3 N. Y. Bodies

Through an unusual coincidence, three Northwestern Mutual Life men are presidents of New York City's life insurance organizations. Left to right:



Clifford L. McMillen, president Mid-town Managers Association; A. J. Johannsen, president New York City Life Managers Association, and D. B. Fluegelman, president New York City Life Underwriters Association. Mr. Fluegelman is one of the leading producers of the Krueger & Davidson agency.

30% Now Carry NSL to Private Life

WASHINGTON — The percentage of veterans returned to private life who are continuing their government life insurance has increased from 20 to 30, according to testimony of Harold Breining, assistant veterans administrator for insurance.

Mr. Breining said the reason for the change is that in the first million discharged there were a great many so-called "Blue" discharges—not one likely in civilian life to feel responsibility toward his family to carry insurance.

Gen. Bradley, VA administrator, who also testified, said that about 17,492,000 applications for National Service Life had been approved as of June 30, 1945, for an estimated \$135 billion covering 14,632,000 lives. Average value per policy was \$7,718 and average insurance per life \$9,227.

As of Dec. 31, 1945, he estimated NSL-insured totaled 9,174,000, representing \$75 billion—617 million insurance. At Dec. 31, 1946, he estimated, the NSL-insured lives will be 5,523,000, representing \$36 billion 979 million insurance. VA estimates there will be 54,150 NSL death claims this year.

Hope Tackles Policy Reserve Definition Problem

Francis M. Hope, actuary emeritus of Occidental Life, writes:

In an editorial headed "Policy Reserve Trouble Again" in your issue of Feb. 8, you have very properly reiterated that one of the best public relations jobs that could be done would be to devise a substitute for the term "policy reserve." The writer suggests "mathematical accumulations" or "technical savings accounts" plus "reserve for unexpired risk."

However, it would appear that the first requirement is to gain a clear understanding of what, in modern life insurance, the "policy reserve" really is. Other branches of insurance, such as marine and fire, also have reserves and it was doubtless from them that life insurance borrowed the term. But their policy contracts do not have "sinking funds" by means of which the risk is year by year reduced or gradually transferred to the policyholder. I think it may be said, therefore, that their reserves are true reserves.

In the early days of life insurance when the technical savings account within the policy was not well recognized, and cash values were not considered a right, it seems to have been usual to consider all the mathematical accumulations as reserves for the policyholders as a whole. Thus the term "policy reserve" was justified.

Terminal Reserve

Level premium ordinary life insurance, to use it as an example, has within it an accumulation which theoretically speaking may be said to belong to the policy. This accumulation, known at the end of each policy year as the "terminal reserve" reaches the full amount of the policy, say \$1,000, at age 100 if we use the new commissioners' mortality table. If all policies were taken out on the morning of Jan. 1 each year the reserves in the company's statements at 11:59 p. m. each Dec. 31 would, for practical purposes, be exact terminal reserves. There would at that moment be little or no reserve for unexpired risk due to premiums which had paid for insurance running over into the next calendar year. But actually, owing to the way in which companies set up their annual statements, and the fact that premiums fall due all through the year, there is about one-half year's unexpired risk at each Dec. 31.

Now we must go a little deeper and separate the mathematical or net premium into two parts: (1) a deposit element which, with compound interest, builds the mathematical accumulations of terminal reserves, and (2) a protection element which provides for mortality on the net amount at risk. The net amount at risk is, of course, the difference between the face of the policy and the mathematical accumulations or terminal reserve.

Increase with Age

As an ordinary life policy gets older it is evident that the mathematical accumulations must greatly increase in order to reach \$1,000 at age 100. Indeed, in the case of an ordinary life policy issued at age 35, under the new commissioners' mortality table with 3% interest, the accumulations reach about 25% of the amount of insurance at the end of 15 years, about 50% at the end of 28½ years, about 75% at the end of 45 years, and 100% at the end of 65 years, when age 100 would be attained. We thus see that if a company has a large proportion of old policies on its books it must have an extra large amount of mathematical accumulations or terminal reserves in proportion to insurance in force.

From what has been said I think it must now be clearly evident that the "policy reserve" in the case of life insurance also consists of two parts: (a) the

(CONTINUED ON PAGE 24)

Texas Decision on Cash Values

The community property law of Texas applies to the cash surrender value of life insurance policies, according to an opinion by the fifth court of civil appeals of Texas. According to Associate Justice Ben F. Looney, who wrote the opinion, this is the first time that this particular phase of the Texas community property law has been ruled upon, involving the particular point at issue.

The court ruled that the insurance policies of the late Dr. Abell D. Hardin composed a part of the community property estate until the death of his wife, Mrs. Pearl Hardin, and that half of the cash value at the time of her death belonged to her heir. Mrs. Hardin died Sept. 30, 1940. Dr. Hardin died May 10, 1944.

Sisters, Son Seek Proceeds

His sisters, as primary beneficiaries, submitted proof of their brother's death and demanded proceeds of two \$5,000 policies in Volunteer State Life. Mrs. Hardin's son claimed one-half of the cash-surrender value as heir to his deceased mother and served notice on the company. The company filed an interpleader suit to determine the status of the policies.

Gave Half to the Son

Judge Cramer of 101st district court, Dallas, ruled against the son and heir but the court of appeals reversed the decision and ordered \$1,648 to be paid to the appellant out of the proceeds of the policies.

This is not the first time in Texas that life insurance cash value has been held to be community property. The Texas supreme court in 1943 ruled in Womack vs. Womack, on appeal from the civil appeals court that cash value was community property.

United Offers Hospital Surgical, Medical Package

United of Chicago has brought out a program called "Healthsure," embracing the elements of hospital care, surgical indemnity and medical and nurse care. Vice-president H. G. Rockwood announces.

The hospital care provision with a \$4 daily limit costs \$1 a month for adults and 50 cents a month for children.

For surgery, according to a schedule ranging from \$10 to \$100 the cost is 50 cents per month for adults or children.

For medical and nurse care benefits the cost is \$1 a month for adults and 75 cents a month for children. The limit of indemnity under this feature is \$150. Payment is made up to \$5 a day for home treatment not to exceed 30 days for any one disability; up to \$2 a day for hospital treatment and \$2 for office treatment. For a registered nurse in the home, the plan will pay up to \$5 a day.

The maximum cost for medical and nurse care on a family basis is \$3.50 per month regardless of the number in the family.

The age limits are three months to 65 years.

Maternity benefits are provided after the policy has been in force nine months.

The policy is being sold individually and also through newspapers. It is being featured by the "Times-Press" of Streator, Ill.

Pacific Mutual Has 44% Gain

Pacific Mutual Life reports a 44% gain in new premiums in its accident and health department the first two months of 1946 as compared with the corresponding figure in 1945. Increases in A. & H. were recorded throughout last year. R. Earl Denman of the Joseph M. Gantz agency, Cincinnati, who was national production champion of Pacific Mutual in 1945, currently tops all individual producers in accident and health.

The COMMONWEALTH Commentary

THE DOORWAY TO SECURITY

One of the distinguishing characteristics of Commonwealth literature is the appearance in many of our publications of a facsimile of the doorway to our home office building—the "Doorway to Security."

In these triple-threat times of low interest rates, high taxes and high living costs, the ambitious individual finds access to security increasingly difficult—he must have more dollars, discovering at the same time that his margin for savings grows ever smaller. Thus, the old, conventional means of thrift are rendered ineffective. Life insurance, once an *optional* means to financial success, becomes under today's conditions the *only* safe thoroughfare.

The story of life insurance as today's only practical means of creating and maintaining estates, is being told daily by Commonwealth fieldmen. Backed by their company's record of safety and experience, Commonwealth men are dramatizing by their highly professional financial services, today's significance of life insurance—the doorway to security.

Insurance in Force, Jan. 31, 1946 — \$268,469,002

COMMONWEALTH
LIFE INSURANCE COMPANY

LOUISVILLE • MORTON BOYD, President

L.I.A.A. and A.L.C. Joint Committees

Presidents George W. Smith of Life Insurance Association of America, and Claris Adams of American Life Convention have appointed several joint committees. These committees and chairmen are: Aviation, James E. Hoskins, associate actuary, Travelers; blanks, John S. Thompson, president Mutual Benefit Life; monetary affairs, George L. Harrison, president New York Life; legislative, Charles G. Taylor, Jr., executive vice-president Metropolitan Life; N.S.L.I., Alexander E. Patterson, executive vice-president Mutual Life; premium taxation, Ronald G. Stagg, second vice-president and actuary, Lincoln National Life; social security, M. Albert Liston, president Provident Mutual Life; war settlements, Valentine Howell, vice-president and actuary Prudential, and withholding and information at source, John J. Magovern, assistant counsel Mutual Benefit Life.

Vernon Rooks Joins Nat'l Underwriter as Associate Editor

Vernon Rooks, first lieutenant of the marines, now on terminal leave, is joining THE NATIONAL UNDERWRITER at Chicago as associate editor. Prior to the war he was assistant insurance director of Kentucky and was a member of the committee on blanks of the National Association of Insurance Commissioners.

Mr. Rooks attended University of Kentucky in the journalism department and then was connected with newspapers in a news capacity at his home city of Paducah and at Lexington before joining the Kentucky department. Mr. Rooks served in the Pacific during the war. He saw action on Okinawa and he was in Japan.

Mrs. Rooks is employed in the Kentucky department and she will continue to reside at Frankfort for the time being.

Sues for Return of Ohio Tax

Suit has been brought against Superintendent Dressel of Ohio and D. H. Ebright, state treasurer, by Maryland Casualty to recover \$23,985 paid as state premium taxes on the contention that the law under which the tax was levied is discriminatory and unconstitutional.

Standard Accident also has sued to collect \$8,394 in insurance premium taxes.

New President of N. Y. Life's Top Club

Harry A. McColl of Colorado Springs, the president of the 1945 Top Club of New York Life, during the past year paid for \$1,920,250 of new business under club rules.

Mr. McColl was graduated from University of Colorado in 1925, and early in the following year he started as a clerk in the Missouri clearing-house of New York Life. He became an agent at Pueblo, Colo., later that year. Since 1933 he has continuously been a Top Club member and frequently has been a vice-president.

His father represented New York Life from 1893 until his death in 1914. At that time his mother became an agent of the company, and she is still active in the field.



Harry A. McColl

A. & H. Occupational Manual to Be Revised

NEW YORK—At a recent meeting here of the governing committee of the Bureau of Personal Accident & Health Underwriters it was decided to proceed with a revision of the standard occupational classification manual. The original manual was constructed by the bureau about 1900. It was last revised in 1929.

During the war it was impossible to proceed with revision due to lack of personnel and to difficulty in gaining admittance to plants doing war work. Now

complete revision will bring the manual up to date with new industrial methods, many of which developed in the war, and at the same time making changes, the necessity of which has become apparent in the use of the present manual since 1929.

The work will be supervised by Manager J. F. Follmann, Jr., and the staff will be increased.

The governing committee indicated that the industry favors the passage of the standard provisions laws in all states, but that to tamper with these laws in individual states would destroy uniformity and legal precedent established over 35 years.

Todd Agency Congress and Dinner Set for March 9

John O. Todd, Chicago general agent of Northwestern Mutual Life, is planning to celebrate the second anniversary of his agency March 9 at a sales congress and dinner in the Edgewater Beach hotel. Several home office officials are expected to attend. The congress will take place in the afternoon, with a sales presentation on the "Planned Income Program." A. R. Jaqua, director of the life insurance marketing course at Purdue University, will be one of the speakers.

Continental American

POINTS TO A NEW RECORD OF PROGRESS— LOOKS FORWARD TO EVEN BETTER PEACETIME YEARS



THE year 1945 was characterized by change and uncertainty wrought by the termination of the war and the many problems of reconversion. Despite these conditions of uncertainty, Continental American's Field Men established many new records of progress during the past year. Here is the story of their achievements:

- 1 An increase of \$12,283,510 in life insurance in force, the greatest increase for any year in the Company's history.
- 2 Insurance in force \$176,065,004, an all-time high for the Company and an increase of 7% over 1944.
- 3 An average new sale of \$7,238 per policy further increasing the Company's average policy in force to \$4,787.
- 4 Terminations (other than death claims and maturities) at a new record low rate.
- 5 Assets at all-time record high of \$45,754,453.

38TH ANNUAL STATEMENT December 31, 1945

ASSETS

Bonds: U. S. Government . . .	\$18,639,509.37	41%
Canadian Government . . .	98,649.23	*
State, County and Municipal . . .	930,313.20	2
Utility	4,303,366.59	9
Railroad	292,361.92	1
Industrial	64,839.36	*
Total Bonds	\$24,329,039.67	53%
First Mortgage Loans	15,127,426.84	33
Home Office Property	758,292.80	2
Other Real Estate	6,729.12	*
Preferred and Guaranteed Stocks	789,210.00	2
Common Stocks	54,274.00	*
Policy Liens Within the Reserve	3,378,316.20	7
Cash in Banks and in Office	1,311,164.30	3
Total	\$45,754,452.93	100%

*Less than 1/2 of 1%

LIABILITIES

Policy Reserves	\$41,490,409.70
Reserved for Policy Dividends, Taxes, Etc.	863,453.45
Contingency Reserves—Investments	198,516.88
Future Interest Requirements	300,000.00
TOTAL LIABILITIES, EXCEPT CAPITAL	\$42,852,380.03
Capital Stock	\$ 637,530.00
Surplus	2,264,542.90
TOTAL SURPLUS AND CAPITAL STOCK	2,902,072.90
Total	\$45,754,452.93

The Company subscribed for \$2,400,000 of United States Government Bonds during the Victory Loan Drive in December, 1945, of which \$1,900,000 were taken up by banks and are being held by them for the account of the Company.

Continental American Life Insurance Company

WILMINGTON • DELAWARE

A. A. RYDGREN, PRESIDENT

M. S. BELL, VICE PRESIDENT

Insurance Study of Atom Energy Urged

NEW YORK—Formation of a joint insurance committee representing fire, casualty and life interests was recommended for the study of atomic energy and the planning of proper underwriting controls by R. M. Huyler of the America Fore group in a talk before the Automobile Claims Association here.

Speaking on atomic energy and the insurance business, Mr. Huyler emphasized the dangers of injury as a result of the radioactivity set up by atomic fission and the possible effect on workmen's compensation, accident and health and life insurance. Because use of atomic energy for power production requires a minimum installation of 50 tons weight to protect against radioactivity, there is little likelihood of its use in automobiles but eventually it may be employed in steamships, railroad locomotives and power plants.

Deduction OK Even If Trust Corpus Trifle Tardy

WASHINGTON—The internal revenue bureau has issued a ruling with approval of the acting secretary of the Treasury, holding that contributions to an employers' trust, to constitute allowable deductions, must be made pursuant to a plan in effect and to a valid existing trust which is recognized as such under local law.

Under the ruling, this requirement will be deemed to have been complied with for taxable years ending on or before Feb. 28, 1946, in the case of a taxpayer on the accrual basis, if all requisites have been met on or before the last day of the year of accrual except the furnishing of the trust corpus. The latter must be supplied within 60 days after close of such taxable year of accrual, the ruling provides.

The ruling relates to contributions allowable as deductible under section 23, internal revenue code, paid into a trust exempt under section 165 (A). Pension trusts and profit-sharing trusts are involved.

Bogardus Joins Partridge Agency in Boston

John O. Bogardus has joined the Richard W. Partridge agency of New England Mutual in Boston, in charge of a special sections of agents and brokers. Mr. Bogardus has been with Union Mutual Life in Albany, Buffalo and New York City, and more recently as man-



J. O. BOGARDUS

ager in Boston. He is a graduate of St. Lawrence University and a past president of the Boston General Agents & Life Managers Association and the Massachusetts Association of Life Underwriters. At present, he is national committeeman for the Massachusetts association.

Prudential Advances Samuelson

Peter Samuelson has been promoted to assistant supervisor in the mortgage loan department of Prudential. He has been assistant manager of the Florida office.

Mr. Samuelson has been with Prudential for 24 years. He has been in real estate loan work since 1922 as mortgage loan inspector, mortgage loan appraiser and assistant manager at Birmingham, Ala.

An aid to hospitalization sales—the Hospitalization folder. Get samples from The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

Promote McCaffery and King in Mutual Life Home Office

Robert L. McCaffery has been appointed administrative assistant in the public relations division of Mutual Life. John L. King will assume Mr. McCaffery's former position as secretary to President Lewis W. Douglas.

Mr. McCaffery was made secretary to Mr. Douglas through the period that he acted as deputy administrator of the shipping administration.

Mr. King is a graduate of New Mexico Military Institute and the School of Finance of the University of Pennsylvania. Following graduation he worked as secretary to executives of the Chicago Daily News and American Airlines. He entered the army in 1941 and was with the 8th armored division in France, Holland, and Germany.

National Life Booth at NAHB

The National Life is prominently represented this week at the convention of the National Association of Home Builders in Chicago. Ralph L. Limber, director of investment research; Peter Giuliani, attorney, both from the home office; Harvey J. McClary, mortgage loan district supervisor at Cedar Rapids; and N. C. McGreevy, mortgage loan district supervisor at Dayton, are presiding at a booth and will explain National Life's new packaged mortgage, home loan plan as a whole, and the new mortgage cancellation policy.

Lincoln Nat'l Crowns Nebel

Harry W. Nebel of the Seth A. Bardwell agency, Cleveland, has won the Lincoln National's designation, "Agent of the year," for 1945. Runner-up was Charles S. Miller, Tyner, Ind., and Philip Sitrick, Davenport, was third.

Mr. Nebel's name will be engraved in the solid limestone wall of the lobby of the home office building.

More than 30 attended a banquet for Mr. Nebel, including Vice-president A. L. Dern, and George Gund, president of Cleveland Trust Co., and a director of Lincoln National.

Mr. Bardwell presided. Mr. Dern presented a scroll and a gold pocket medal to Mr. Nebel.

Foley Heads State Mutual General Agents Association

The General Agents Association of State Mutual Life has elected as president, T. W. Foley, New York City; vice-president, E. L. Beesley, Syracuse;



T. W. FOLEY

secretary-treasurer, John Pennington, Buffalo; executive committee: J. B. Clark, Boston; W. Allen Beam, Cleveland; Jeff Gros, Memphis; and R. A. Lathrop, Minneapolis.

Cartwright Makes Gain

Charles M. Cartwright, editor of THE NATIONAL UNDERWRITER, who is confined to the Evanston hospital, Evanston, Ill., has registered improvement from the lowest point of his illness, which is a combination of lung and heart involvement. Oxygen was administered to him for more than a week but this has now been discontinued and he seems to be making some gains.

Mr. Cartwright is approaching his 50th year of insurance newspaper work. It was in June, 1896, while he was a reporter on the Chicago "Inter-Ocean" that he was assigned to handle the insurance column of that paper and he has been at that type of work ever since.

Miller to Continental Assur.

John Miller, released from active duty as a lieutenant of the marine corps, has become associated with Continental Assurance as assistant superintendent of agents. In this capacity, he will devote his entire attention to the program for large scale expansion of Cook county, Ill., operations. He was in the service three years with the first and fifth divisions from Bougainville to Okinawa, and in this country trained three OSS maritime units. At Northwestern University he was captain of the water polo teams of 1934 and 1935, and was on the Olympic team in 1936 and on the Illinois Athletic club championship team. Before the war he was a life insurance agent and general agent.

Hoboken Wins Hancock Trophy

The vice-presidential trophy, presented by John Hancock Mutual to the district agency with the best record in the production group and allied lines, has been awarded to Hoboken. President P. F. Clark presented the trophy at the Presidents' Club meeting in Boston to Manager Louis Katz. Vice-presidential citations for especially creditable achievements in this field went to Peoria, Glendale, Haverhill, Davenport, Kansas City, St. Paul and Roseland (Chicago).

Philadelphia Life—Reports a record January both in business applied for and paid for. Applied for business increased 77% over January, 1945, while paid for business was up 110%.

We Believe

- ☆ 1) That the work of the professional life underwriter is of inestimable importance to the public well-being, and that the most valuable financial counsel can emanate only from the most capable of underwriters.
- ☆ 2) That a life underwriter should be allowed to work largely according to his own individual talents and methods—that only through his personal initiative and ambition, backed by sympathetic Home Office and Agency cooperation, can any man attain his maximum proficiency.
- ☆ 3) That the members of our field organization derive both pleasure and profit from their association with us because we do not strive to regiment them or fit them to some inflexible pattern.

— Splendid agency opportunities are now available —

AMERICAN UNITED LIFE INSURANCE COMPANY

Established 1877



Indianapolis

Sales Ideas and Suggestions

Woman Market So Large It Cannot Be Ignored

DETROIT—The history of insurance sales to women shows that they are high during a war when many women are working who do not ordinarily work, then drop as thousands of women return to the kitchen, after which there is a gradual rise to higher levels than ever, Mary Foster Barber, assistant to the president of Penn Mutual, told the Detroit Association of Life Underwriters at a luncheon meeting sponsored by the women's division under President Florence Lorf, leading woman producer of Penn Mutual. Miss Barber spoke on "The Women's Market Through the Candid Camera Lens."

In 1870 women represented only 15% of the gainfully employed, in 1920, 20% and at present, 35%. Twenty million women were employed at the wartime peak and about 12 million are working now. Women also are buying about a third of the policies sold.

Shows Size of Market

It has been predicted by 1950 there will be 17 million women working, so in a few years one out of every four women 14 years of age or older will be gainfully employed, and half of them will be supplying 50% or more of the family income. There can be no doubt that the woman market is here to stay as a big factor in insurance sales, Miss Barber said.

Women's earnings are lower than men's so the average policy will continue to be smaller, but agents who ignore the woman market are overlooking a third of the entire field. Many women, especially in business and professions, are buying large policies.

Many modern trends in insurance business relate directly to the woman field. For example, there is a great need for sale of more wife insurance as well as retirement income among women. In modern living, with small

apartments and houses the rule, there is no place for elderly people to live with relatives, and it behooves them to provide for their own future security while they are earning.

Like Retirement Income

The fact that the public has not been so well sold on wife insurance as it should be was indicated by the results of a recent series of advertisements run nationally by Penn Mutual, one of which dwelt upon wife insurance and another on retirement income. The ad on retirement income outpulled that on wife insurance by 30 to one.

Women need much more insurance than they now own, and it can be sold to them if they are properly approached.

Remember that most women are not interested in financial figures, Miss Barber counseled; appeal to them on a basis of what the insurance will do for them rather than how much money it will save for them. Remember, too, that lapsation among women policyholders is less than among men; 50% less, according to the Life Insurance Sales Research Bureau.

Purdue May Set Pattern for Other Schools—Hanselman

W. F. Hanselman, president Life Insurance Agency Management Association and vice-president Union Central Life, addressing managers and supervisors of companies who have agents in the school of life insurance marketing and students taking the course at Purdue University, said many companies, including Union Central, feel that the success at Purdue may well set the pattern for other universities. Al-

though the course is still in its infancy, heads of other colleges throughout the nation have inquired about the possibility of setting up similar programs of study, and if the problem of staffing additional faculties with capable teachers can be solved, the Purdue plan will be expanded to take in many more universities, he said.

Want N. J. All Industry Group

Efforts are being made in Newark to get an organization started that would represent insurance interests over the state and that would keep in touch with all types of legislation. The Accident & Health Underwriters Association of Newark sponsored one meeting, attended by representatives of six or seven of the larger organizations. The idea was favorably received and another meeting will be called soon by Alexander Grenier, local agent and president of the A. & H. association.

✓ check these
**LOW
INSURANCE
RATES**
you'll find you really can
afford to carry \$10,000
of life insurance

Age	Rate
20	1.37
25	1.37
30	1.37
35	1.37
40	1.37
45	1.37
50	2.48

Here is a long-term policy that protects you for the expectancy of life based on your age, according to the American Experience Table of Mortality. It has cash and loan values. Rates quoted apply to standard risks.

At age 35, a \$10,000 policy costs you only \$13.20 per month and will, should you die during the expectancy period, pay your beneficiary \$10,000 or a monthly income for life. This low cost policy cannot be issued in amounts less than \$2,000. Write today for full details.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
FORT WAYNE, INDIANA

Now Take One And Three Quarters Billion Dollars Of Insurance In Force

✓ **MAIL THIS COUPON TODAY**

Mailing this coupon involves no obligation. So we are sure you will find it a most valuable tool for full information about this low-cost policy.

Name _____
Address _____
City _____ State _____ Zip _____

Penn Mutual Leader Sticks to One Occupation Group

It is wisest to confine prospecting within one occupation according to L. L. Newman, Fort Wayne, Penn Mutual's leading producer for the fourth successive year. He says an agent's time is too valuable to spend in the solicitation of prospects in a variety of occupations. Almost any occupation offers an endless list of names of men whose positions and needs are relatively the same, who think alike and are motivated by the sales made to their colleagues. Therefore the salesman can easily prepare himself to meet the individual situations in almost a set manner. The same approach, the same presentation, and approximately the same close will suffice.


Mr. Newman cultivates policyholders continuously with birthday cards, Christmas cards, and personal letters. The correspondence is extremely important. Letters to policyholders contain news about their friends. He keeps a cross-index file on his desk, kept continuously up-to-date from the letters he receives. When a client writes in he picks out his card and on it finds indicated the news about a number of his friends with who he has had close contacts, as Mr. Newman also has had. He maintains a very close personal friendship with all his clients on a first-name basis. Most of his prospects are doctors and one consequence is that Mr. Newman doesn't cool his heels in their offices.

More Than
1½ Billion
Dollars of
Insurance in
Force.

Not magic, just a hard-hitting sales message that gets people to mail the coupon. During 1946, LNL "Rate Ads" will appear often in Life, Saturday Evening Post, and Newsweek. In 1946, as in 1945, LNL agents will find that "Rate Ad" leads produce extra sales—extra commissions.

Note: See the new full-page Lincoln Life ad appearing in the May 11th issue of the Saturday Evening Post.

Its Name Indicates Its Character



THE LINCOLN NATIONAL LIFE INSURANCE CO.
FORT WAYNE, INDIANA

"The Company Back of the Contract"



LOW RATE LIFE
is now included in
Fidelity's broad portfolio
of policy contracts.

THE FIDELITY MUTUAL LIFE INSURANCE COMPANY

The Parkway at Fairmount Avenue
PHILADELPHIA
E. A. ROBERTS, President

United Life and Accident Insurance Company

Concord, N. H.

Representatives Have Something Unusual to Sell

Ask the man who owns a United Life and Accident
Insurance contract which contains:

1. Life Insurance
2. Double Indemnity
3. Triple Indemnity
4. Non-cancellable Accident Insurance
5. Waiver of Premium

For Details Write

WILLIAM D. HALLER
Vice President and Agency Manager
Concord, N. H.

NEWS ABOUT LIFE POLICIES

Equitable, Ia., New 2½% CSO Rates Announced

Equitable Life of Iowa after March 1 will issue all policies on the commission standard ordinary 2½% table with resultant increases in premium rates and cash values. Illustrative premiums for participating forms are:

Age	Whole	Ord.	20	20	Life	End.	Pd.
	Life	Life	Life	Yr.	End.	65	up
10	15.68	15.66	26.31	50.30	17.84	16.34	
11	15.93	15.91	26.66	50.34	18.18	16.62	
12	16.19	16.17	27.04	50.37	18.55	16.93	
13	16.47	16.45	27.41	50.43	18.93	17.26	
14	16.75	16.73	27.81	50.47	19.33	17.61	
15	17.06	17.03	28.21	50.52	19.75	17.96	
16	17.42	17.39	28.67	50.57	20.23	18.37	
17	17.79	17.77	29.14	50.63	20.75	18.82	
18	18.18	18.15	29.62	50.70	21.29	19.28	
19	18.60	18.56	30.11	50.76	21.85	19.76	
20	19.02	18.98	30.61	50.83	22.43	20.23	
21	19.46	19.43	31.13	50.91	23.04	20.80	
22	19.92	19.87	31.67	51.00	23.69	21.36	
23	20.40	20.36	32.21	51.10	24.38	21.95	
24	20.90	20.85	32.77	51.20	25.09	22.56	
25	21.43	21.37	33.34	51.31	25.84	23.20	
26	21.97	21.91	33.92	51.44	26.64	23.88	
27	22.54	22.48	34.52	51.57	27.48	24.60	
28	23.13	23.07	35.14	51.72	28.36	25.36	
29	23.76	23.68	35.78	51.87	29.29	26.16	
30	24.41	24.33	36.44	52.04	30.29	27.01	
31	25.08	25.00	37.10	52.23	31.33	27.89	
32	25.80	25.71	37.79	52.43	32.45	28.85	
33	26.54	26.44	38.51	52.66	33.64	29.85	
34	27.32	27.21	39.24	52.90	34.89	30.92	
35	28.14	28.02	40.00	53.17	36.24	32.06	
36	28.99	28.87	40.78	53.46	37.75	33.27	
37	29.89	29.75	41.59	53.78	39.37	34.57	
38	30.84	30.68	42.43	54.12	41.09	35.96	
39	31.82	31.67	43.29	54.49	42.93	37.44	
40	32.87	32.69	44.19	54.91	44.92	39.04	
41	33.95	33.77	45.12	55.36	47.06	40.76	
42	35.11	34.90	46.09	55.84	49.37	42.63	
43	36.32	36.09	47.10	56.36	51.87	44.65	
44	37.59	37.35	48.15	56.95	54.60	46.84	
45	38.94	38.67	49.25	57.57	57.57	49.25	
46	40.49	40.18	50.57	58.46	61.06	52.05	
47	42.13	41.79	51.94	59.40	64.88	55.15	
48	43.86	43.49	53.39	60.42	69.14	58.57	
49	45.69	45.28	54.92	61.53	73.89	62.40	
50	47.63	47.18	56.52	62.73	79.24	66.71	
51	49.69	49.19	58.21	64.02	85.31	71.57	
52	51.88	51.32	60.01	65.42	92.26	77.13	
53	54.20	53.58	61.91	66.93	100.31	83.55	
54	56.67	55.97	63.92	68.58	109.73	91.15	
55	59.30	58.50	66.05	70.37	120.96	99.96	
60	75.30	73.80	79.16	81.91			
65	97.85	94.74	97.85	99.50			

Dividends applicable to the new rates are:

Ordinary Life							
Dividends End of Year							
Age	1	5	10	15	20		
10	3.16	3.43	3.80	4.22	4.67		
15	3.17	3.48	3.91	4.39	4.90		
20	3.41	3.77	4.27	4.81	5.39		
25	3.72	4.15	4.72	5.34	5.99		
30	4.11	4.60	5.26	5.96	6.69		
35	4.50	5.08	5.83	6.62	7.42		
40	4.92	5.58	6.44	7.32	8.20		
45	5.29	6.06	7.04	8.01	8.95		
50	6.23	7.11	8.21	9.27	10.26		
55	7.23	8.24	9.45	10.59	11.62		
60	8.22	9.36	10.70	11.91	12.95		
65	8.88	10.16	11.61	12.86	13.91		

20-Year Endowment							
Age	1	5	10	15	20		
10	3.23	4.60	6.51	8.70	11.19		
15	3.26	4.72	6.63	8.81	11.31		
20	3.52	4.88	6.79	8.97	11.47		
25	3.77	5.13	7.04	9.22	11.72		
30	4.13	5.49	7.39	9.56	12.07		
35	4.56	5.92	7.81	9.97	12.49		
40	5.03	6.39	8.27	10.41	12.95		
45	5.54	6.90	8.76	10.88	13.44		
50	6.05	7.43	9.27	11.38	13.95		
55	6.61	7.99	9.81	11.91	14.49		
60	7.23	8.61	10.40	12.48	15.07		
65	7.91	9.36	11.04	13.09	15.69		

Life Paid-Up at 65							
Age	1	5	10	15	20		
10	3.20	3.49	3.89	4.33	4.82		
15	3.22	3.56	4.02	4.54	5.10		
20	3.49	3.90	4.44	5.05	5.70		
25	3.83	4.30	4.95	5.66	6.42		
30	4.26	4.84	5.61	6.44	7.33		
35	4.65	5.34	6.27	7.27	8.34		
40	5.05	5.91	7.05	8.28	9.62		
45	5.38	6.47	7.94	9.54	11.38		
50	6.47	7.96	9.99	12.35			
55	8.74	11.05	14.39				

Preferred Whole Life							
Age	1	5	10	15	20		
10	4.23	4.50	4.87	5.29	5.74		
15	4.24	4.56	4.99	5.46	5.98		
20	4.50	4.86	5.36	5.90	6.49		
25	4.82	5.25	5.82	6.44	7.10		
30	5.18	5.67	6.33	7.04	7.77		
35	5.60	6.17	6.93	7.72	8.54		
40	6.01	6.68	7.55	8.44	9.32		
45	6.40	7.17	8.16	9.14	10.11		
50	7.37	8.26	9.38	10.47	11.50		
55	8.42	9.45	10.70	11.90	13.04		
60	9.49	10.68	12.10	13.45	14.81		
65	10.32	11.69	13.34	15.02	17.30		

20 Payment Life

Dividends End of Year					
Age	1	5	10	15	20
10	3.54	4.11	4.91	5.82	6.84
15	3.60	4.23	5.12	6.11	7.24
20	3.78	4.49	5.46	6.56	7.79
25	4.08	4.85	5.92	7.12	8.47
30	4.42	5.27	6.44	7.75	9.22
35	4.76	5.69	6.96	8.38	9.97
40	5.09	6.10	7.48	8.99	10.70
45	5.38	6.47	7.94	9.54	11.38
50	5.67	6.74	8.30	10.16	12.07
55	5.93	7.03	8.75	10.75	12.78
60	6.16	7.28	9.14	11.32	13.50
65	6.36	7.49	9.51	11.87	14.23

Endowment at Age 65

Age	1	5	10	15	20
10	2.80	3.13	3.60	4.12	4.70
15	2.86	3.26	3.81	4.42	5.10
20	3.06	3.53	4.18	4.90	5.69
25	3.34	3.90	4.67	5.53	6.46
30	3.67	4.35	5.28	6.30	7.42
35	4.06	4.89	6.02	7.27	8.65
40	4.82	5.86	7.28	8.86	10.65
45	5.54	6.90	8.76	10.88	13.44
50	7.56	9.45	12.10	15.31	
55	10.33	13.33	17.79		

New Juvenile Setup

Juvenile policies are written at ages 0-14 with full benefit at age 5. In New York state full coverage will be issued at ages 5-9, provided the insurance in force and applied for in all companies does not exceed 25% of that in force on the applicant's life, or \$5,000, whichever is less; at ages 10-14, full coverage will be issued provided the insurance does not exceed 50% of the total in force on the applicant's life.

At ages 0-4 in New York, the maximum and minimum amount will be an ultimate amount of \$1,000, provided the applicant has at least \$4,000 on his own life, and the death benefits will be graded as follows:

Year	6 mos.	1	2	3	4	5
1	100	200	300	400	400	1,000
2	200	300	400	400	1,000	
3	300	400	400	1,000		
4	400	400	1,000			
5	400	1,000				

Juvenile premium rates in New York are the same as in other states. Illustrative participating premiums on the C.S.O. 2½% basis effective March 1, are:

Age	20 Pay.	End.	20 Yr.	End.
	Life	at 65	End.	at 15
0	\$23.35	\$15.26	\$50.11	\$56.28
1	23.62	15.47	50.19	60.00
2	23.95	15.72	50.28	64.19
3	24.27	15.96	50.33	68.88
4	24.56	16.20	50.35	74.20
5	24.83	16.44	50.35	80.30
6	25.08	16.68	50.32	87.36
7	25.36	16.95	50.29	95.73
8	25.66	17.22	50.28	105.75
9	25.96	17.52	50.28	118.04
10	26.31	17.84	50.30	133.41
11	26.66	18.18		
12	27.04	18.55	50.37	
13	27.41	18.93	50.43	
14	27.81	19.33	50.47	

Berkshire Continues Dividend Scale

The present dividend scale has been continued by Berkshire Life. Interest on dividend accumulations and settlement options is also continued at 3% or higher guaranteed rate.

Philadelphia Life Has New Retirement Income Form

Philadelphia Life has brought out a non-participating retirement income endowment at 50 which supplements the series of these contracts maturing at 50, 55, 60 and 65. At maturity either the face amount of \$1,000 per unit or the cash value, whichever is larger, is paid. The policy pays an income to males on and after maturity of \$10 per month per \$1,000 unit for life, 120 months certain, and to females a monthly income of \$9.15 per unit, or \$10 per month on a face amount of \$1,093.

At maturity there is the option to take \$2,089 cash or \$1,000 insurance and \$1,581 cash or \$4,112 insurance. The latter two options are subject to evidence of insurability.

Age limits are 15 to 40, inclusive, so that this contract taken at the later ages constitute a short term endowment, and taken at age 40

dowment. The premium rates per unit of \$1,000 insurance, and illustrative cash values, are:

Age	Prem.	3	5	10	15	20
15	\$ 40.51	\$ 72	\$ 136	\$ 332	\$ 561	\$ 844
16	44.12	81	153	370	626	941
17	48.12	91	165	391	661	996
18	52.12	101	177	414	700	1,053
19	56.12	112	190	439	742	1,115
20	60.12	123	204	465	787	1,181
21	64.12	134	218	494	835	1,253
22	68.12	145	232	525	888	1,329
23	72.12	156	247	559	945	1,412
24	76.12	167	262	595	1,008	1,502
25	80.12	178	277	635	1,075	1,599
26	84.12	189	292	679	1,148	1,705
27	88.12	199	307	728	1,228	1,821
28	92.12	210	322	780	1,315	1,949
29	96.12	221	337	836	1,412	2,089
30	100.00	233	352	896	1,518	2,241
31	104.00	245	367	979	1,637	2,405
32	108.00	257	382	1,062	1,770	2,582
33	112.00	269	397	1,153	1,919	2,772
34	116.00	281	412	1,252	2,089	2,975
35	120.00	293	427	1,357	2,282	3,192
36	124.00	305	442	1,468	2,499	3,423
37	128.00	317	457	1,585	2,732	3,669
38	132.00	329	472	1,708	2,981	3,931
39	136.00	341	487	1,837	3,246	4,208
40	140.00	353	502	1,972	3,528	4,500

*Matures.

Continental Changes Options

Settlement options on new policies issued by Continental Assurance are based on the following rates of interest, which may be increased by any excess interest determined and apportioned thereto:

1. Interest only: (a) Without right of withdrawal 2½%; (b) With right of withdrawal 2%.
2. Instalments of fixed amount 2½%.
3. Instalments for a fixed period 2½%.
4. Instalments for a fixed period and life thereafter 2½%.

Monthly life incomes under option 4 are:

Age of Payee	Fixed Number of Years	5	10	15	20
15 and under					
15	20	\$2.81	\$2.81	\$2.80	\$2.79
16	21	2.82	2.83	2.82	2.81
17	22	2.83	2.85	2.84	2.84
18	23	2.84	2.88	2.87	2.86
19	24	2.85	2.90	2.89	2.88
20	25	2.86	2.93	2.92	2.91
21	26	2.87	2.96	2.95	2.93
22	27	2.88	2.99	2.98	2.96
23	28	2.89	3.02	3.01	2.99
24	29	2.90	3.05	3.04	3.02
25	30	2.91	3.08	3.08	3.05
26	31	2.92	3.12	3.11	3.08
27	32	2.93	3.15	3.14	3.11
28	33	2.94	3.19	3.18	3.15
29	34	2.95	3.22	3.22	3.18
30	35	2.96	3.27	3.26	3.22
31	36	2.97	3.31	3.30	3.25
32	37	2.98	3.36	3.34	3.29
33	38	2.99	3.40	3.39	3.33
34	39	3.00	3.45	3.43	3.37
35	40	3.01	3.50	3.48	3.41
36	41	3.02	3.55	3.53	3.45
37	42	3.03	3.61	3.59	3.50
38	43	3.04	3.66	3.64	3.54
39	44	3.05	3.72	3.70	3.59
40	45	3.06	3.78	3.76	3.64
41	46	3.07	3.85	3.82	3.69
42	47	3.08	3.92	3.88	3.74
43	48	3.09	3.99	3.95	3.79
44	49	3.10	4.06	4.02	3.84
45	50	3.11	4.14	4.09	3.90
46	51	3.12	4.22	4.17	3.95
47	52	3.13	4.31	4.25	4.01
48	53	3.14	4.40	4.33	4.07
49	54	3.15	4.49	4.42	4.12
50	55	3.16	4.59	4.50	4.18
51	56	3.17	4.69	4.60	4.24
52	57	3.18	4.80	4.69	4.30
53	58	3.19	4.91	4.79	4.36
54	59	3.20	5.03	4.90	4.41
55	60	3.21	5.15	5.01	4.47
56	61	3.22	5.28	5.12	4.53
57	62	3.23	5.42	5.23	4.59
58	63	3.24	5.56	5.35	4.64
59	64	3.25	5.72	5.48	4.70
60	65	3.26	5.87	5.61	4.75
61	66	3.27	6.04	5.74	4.80
62	67	3.28	6.22	5.87	4.85
63	68	3.29	6.40	6.01	4.90
64	69	3.30	6.59	6.16	4.94
65	70	3.31	6.79	6.30	4.98
66	71	3.32	7.00	6.45	5.02
67	72	3.33	7.23	6.60	5.05
68	73	3.34	7.46	6.76	5.09
69	74	3.35	7.70	6.91	5.12
70	75	3.36	7.95	7.07	5.14
71	76	3.37	8.22	7.23	5.17
72	77	3.38	8.50	7.38	5.19
73	78	3.39	8.78	7.54	5.20
74	79	3.40	9.08	7.69	5.22
75	80	3.41	9.40	7.84	5.23
76	81	3.42	9.72	7.98	5.24
77	82	3.43	10.05	8.13	5.25
78	83	3.44	10.39	8.26	5.26
79	84	3.45	10.75	8.39	5.26
80	85	3.46	11.11	8.51	5.26
81 and over		3.47	11.47	8.63	5.26
82		3.48	11.85	8.73	5.26
83		3.49	12.23	8.83	5.26
84		3.50	12.61	8.92	5.26
85		3.51	12.99	9.00	5.26

The cash values have been reduced,

and also the optional monthly life incomes per \$1,000 of cash value under the annual premium elective annuity. Present cash values and monthly life incomes are:

Age	Prem.	3	5	10	15	20
15	\$ 40.51	\$ 72	\$ 136	\$ 332	\$ 561	\$ 844
16	44.12	81	153	370	626	941
17	48.12	91	165	391	661	996
18	52.12	101	177	414	700	1,053
19	56.12	112	190	439	742	1,115
20	60.12	123	204	465	787	1,181
21	64.12	134	218	494	835	1,253
22	68.12	145	232	525	888	1,329
23	72.12	156	247	559	945	1,412
24	76.12	167	262	595	1,008	1,502
25	80.12	178	277	635	1,075	1,599
26	84.12	189	292	679	1,148	1,705
27	88.12	199	307	728	1,228	1,821
28	92.12	210	322	780	1,315	1,949
29	96.12	221	337	836	1,412	2,089
30	100.00	233	352	896	1,518	2,241
31	104.00	245	367	979	1,637	2,405
32	108.00	257	382	1,062	1,770	2,582
33	112.00	269	397	1,153	1,919	2,772
34	116.00	281	412	1,252	2,089	2,975
35	120.00	293	427	1,357	2,282	3,192
36	124.00	305	442	1,468	2,499	3,423
37	128.00	317	457	1,585	2,732	3,669
38	132.00	329	472	1,708	2,981	3,931
39	136.00	341	487	1,837	3,246	4,208
40	140.00	353	502	1,972	3,528	4,500

End. Ann.	Yr. Prem.	Age	Mo. Inc. Per \$1,000 C. V.	Life Ann.	Inst. Ref.
33	46.22	61	6.15	5.34	5.19
34	48.32	62	6.34	5.48	5.31
35	50.47	63	6.54	5.64	5.43
36	52.68	64	6.75	5.80	5.56
37	54.94	65	6.97	5.97	5.70
38	57.25	66	7.21	6.15	5.84
39	59.63	67	7.46	6.34	5.99
40	62.06	68	7.73	6.54	6.15
45	75.17	69	8.02	6.75	6.31
50	90.01	70	8.32	6.97	6.48

Non-Medical for Veterans

Washington National has notified its field force that any member of the armed forces discharged solely for reasons other than medical may be submitted non-medically in accordance with the company's usual non-medical practice.

Commonwealth Reduces Air Rates

Commonwealth Life has announced new low ratings on life coverage for people actively engaged in aviation.

Passengers flying regularly scheduled air routes are recognized as standard risks. The new rates apply only to those in unscheduled passenger flying, and to crew and flight personnel in all types of flying, whether military or commercial.

Commonwealth has issued notice to policyholders whose contracts include an

aviation restriction clause, to submit contracts for review, in order to revise current rates, or to provide full coverage if the present contract is not all-inclusive.

Continue Equitable, Can., Scale

Equitable Life of Canada is continuing for 1946 the same scale of dividends as in 1945. Interest paid on dividends left on deposit remains at 4% and excess interest paid on amounts left with the company under settlement options brings the rate to 4%.

Monson to Boise, Sims to Pueblo

William Sims has succeeded J. Paul Monson as manager of New York Life at Pueblo. Mr. Monson has been appointed manager at Boise.

Mr. Monson became manager at Pueblo in 1944. Previously he had been manager at Cheyenne and assistant manager at Salt Lake. He joined New York Life in 1937.

Mr. Sims has been assistant manager at Salt Lake City where he joined the company in 1939.

Pacific Mutual Life—Reports a gain of 121% in new business written in February as compared with the same month last year. The gain in number of applications received was 119%.



MAY WE SUGGEST...

THE MODIFIED 3

—Low Cost From Start To Finish.

Annual premium rate for the first three years 85% of that called for after three years . . . Dividends may be applied to offset increase . . . Minimum policy, \$5,000.

THE MODIFIED 5

—Permanent Protection Immediately At a Minimum Outlay.

Premium rate for the first five years is one-half of that called for after five years . . . Minimum policy, \$5,000.

THE FUTURE BELONGS TO THOSE WHO PREPARE FOR IT

THE PRUDENTIAL
A MUTUAL LIFE INSURANCE COMPANY



INSURANCE COMPANY OF AMERICA

HOME OFFICE . . . NEWARK, N. J.

Social Security Changes Presaged

(CONTINUED FROM PAGE 1)

ers, self-employed, employees of non-profit organizations, federal employees and railroad workers (with adjustments related to the civil service retirement and railroad retirement laws). Credits for veterans, he indicated, should be retroactive to the beginning of the war. Employees of state and local governments could be covered, he suggested, under voluntary agreements with states.

Altmeyer estimated 10 million self-employed and a total of all workers of about 21 million are not now covered, the bulk of whom should be, he said. There are 84 million social security accounts now, he said, but only 41 million persons now have insured status. With extension of OASI, he said, fewer people would be entitled to old-age assistance and reduction of this "load would be tremendous," particularly in rural areas. He suggested increasing the "retirement test" from \$15 to \$30 per month.

Cost of increasing OASI benefits by \$25 to \$35 a month would be "negligible" if coverage is extended to all groups of

gainful workers, because of the much larger tax base, according to Altmeyer. Such increased benefits, he suggested, should be accompanied by increase from \$3,000 to \$3,600 of the maximum wages upon which social security tax is based.

"Actuaries always err on the conservative side," said Altmeyer in discussing estimated costs, etc.

Expressing the hope that "some insurance company" does not "notice" Altmeyer and tempt him to leave government service, Rep. Dingell, co-author of the general social security bill bearing his name, announced that the committee will consider health insurance and asked the witness to be prepared on that sub-

ject later. Dingell asked for statistics on the number of veterans never covered by OASI and those suffering in their benefits by reason of military service.

Altmeyer said most non-profit groups would be willing to have their employees covered under OASI if provision is made assuring that such tax would not be a precedent for other taxation. He estimated the present 1% tax rate would cover OASI costs for five years. He did not favor benefits following changes in living costs, he said. He did not think the 1939 law with provisions for increased benefits without increasing tax rates interfered with the "actuarial soundness" of the system. To the ex-

We have been through a lot *but never*

In the 85 years since 1860 HOME LIFE
has been through 4 wars...11 depressions
...9 booms...

But never a year like 1945!

That tops them all...

- ✓ V-E Day
- ✓ Atomic Bomb
- ✓ V-J Day
- ✓ United Nations Organization
- ✓ New High in National Income

HOME LIFE INSURANCE COMPANY

256 BROADWAY, NEW YORK

ETHELBERT IDE LOW
Chairman of the Board

WILLIAM P. WORTHINGTON
Vice President and Superintendent of Agencies

JAMES A. FULTON
President

tics on
covered
n their
vice.
groups
employees
sion is
uld not
n. He
would
He did
ages in
t think
for in-
ing tax
ctuarial
the ex-

tent the system is made all-inclusive, he said, the more justification there would be for government subsidizing the system out of the general revenues.

On the basis of present OASI coverage, benefit rates and taxes, and an average annual income estimated by the SSB staff of \$1,500 for men and \$900 for women, Altmeyer estimated that benefits would "catch up" with social security tax income in "at least 10 years." The OASI reserve fund, he estimated, "may be" about \$11 billion at the end of five years, and "close to" \$14 billion in 10 years. Further, he estimated, that \$14 billion would be "dissipated" in "perhaps 15 or 20 years." The

longer the present tax rate is kept, he said, the more certain it is the government will have to subsidize OASI. Present cost of administering the system is about \$29 or \$30 million, witness said.

Now 1,300,000 Receiving Benefits

Mr. Altmeyer said there are 1,300,000 receiving monthly benefit. By the end of 1946 the number will probably have increased to almost 2 million.

This federal old-age and survivors insurance constitutes the largest permanent insurance system in the world.

The cost of administration is about 2% of contributions collected and about 10% of benefit payments. As benefit

rolls increase the cost of administration will decline to less than 5% of benefit payments.

Certain items such as tips and dismissal wages which are now not considered "wages," should be included as wages.

There should be a higher minimum benefit than the present \$10 a month.

The maximum total amount payable to the worker and his dependents is \$85 a month, twice the primary benefit amount, or 80% of the average monthly wage of the insured worker, whichever is least. The board believes that the \$85 limit should be raised and that the limitation of twice the primary benefit should be eliminated. This would provide more

adequate benefits for a widow with several children.

Of the married men who reach age 65, less than 20% have wives who also have reached age 65. The age requirement is lower for women than for men in many of the programs of foreign countries. The board, therefore, recommends that consideration be given to reducing the age at which women may qualify for a retirement benefit or a wife's benefit from 65 to 60 years.

The law provides a small lump sum payment if there are no surviving dependents entitled to monthly benefits at the time of the worker's death. The

(CONTINUED ON PAGE 15)

lot...

your year like this -

And to keep pace with these history-making events in 1945
—HOME LIFE in its own small way was making history too—

- ✓ AVERAGE ANNUAL PRODUCTION of full-time Field Underwriters was \$288,542, the highest in company history.
- ✓ PAID BUSINESS in 1945 was the greatest volume for any year in Home Life's 85-year history.
- ✓ INSURANCE IN FORCE increased by 8.7% of the 1944 total and reached the largest amount of insurance in force in company history.
- ✓ THE AVERAGE SIZE POLICY bought in 1945 was \$10,060, an increase of \$1,296 over the 1944 average, and the largest average size policy in company history.
- ✓ MORTALITY was 41.6% of the expected, one of the lowest mortality figures on record in company history.
- ✓ THE DECLINATION RATE was 3.2% by policy and 4.2% by volume, the lowest rate for any year on record in company history.
- ✓ PERSISTENCY of new business was the best on record with a lapse rate of only 7.7%, the lowest on record in Home Life's 85-year history.

We must confess that we are proud of this record . . . but we are even more proud of the outstanding FIELD ORGANIZATION which made the record possible!

EDITORIAL COMMENT

Insurance Men as Own Pleadors

Our attention was attracted by a statement, seemingly betraying impatience, made by Superintendent Jordan of the District of Columbia in a memorandum accompanying his most recent rate reduction order, to the effect that no insurance man had appeared as a witness in the hearings on his original order.

Without in any way intending to criticize the strategy of the industry in the District of Columbia situation, there is, we think, significance in Mr. Jordan's remark. It is a mistake for insurance men to leave entirely to lawyers and others at least once removed from the actual insurance operation dealings with governmental bodies. Granted that lawyers have the facility and poise to handle these encounters, they cannot bring to bear the profound convictions, the earnestness and sincerity that the client who is aggrieved or has a cause to further, can bring.

A lawyer is always fair game for government people and, no matter how spirited, the set-to is in the realm of a battle of wits, but the rules change when the party at interest appears. We were very much impressed recently in reading the report of the hearings at Washington on the fight on the part of automobile dealers against the reduction in the amount of dealer discount as ordered by the OPA. Apparently there were no lawyers around. The dealers themselves, the officials of the dealers' organization, did all the talking and the Congressmen literally fell all over each other in trying to outdo one another in expressing solicitude for the automobile dealer.

We don't mean to suggest that had the insurance companies in the District of Columbia rate case kept the lawyers

concealed and had brought forth actual insurance practitioners to do all the talking, Mr. Jordan would have done an about face, admitted the error of his ways and granted an increase in fire insurance rates. We simply mean to convey the idea that there are times when insurance men are the ones that can most effectively plead their own cause, they are the ones who can win sympathy for themselves and for the business by a straightforward presentation of their material which carries conviction because it is in the nature of a spontaneous appeal from a worker in the field.

Too often we look to do by indirection what can more simply be accomplished by a direct approach. Having a good case and one we ourselves are the best equipped to argue, we go out of our way to get someone with a big name or supposed influence to say it for us, and in so doing we may only serve to create suspicion that our case is not firmly bottomed.

The fact that Mr. Jordan made that reference to the absence of witnesses from the actual ranks of insurance has significance in that it betrays what we conceive to be a natural reaction of a person in a public place. Perhaps insurance men may shy away from taking the stand and making appearances at hearings, etc., on the theory that they will be exposing themselves to savage functionaries who will proceed to put them on the hook. We don't mean to say that an insurance man will always have a pleasant time on these occasions but we do think that more often than not, he will be spared the hook more often than the lawyer, and that he doesn't realize his own strength.

Awaiting the Verdict

The premium tax litigation at the state court and federal district court level right now is shadow boxing. The companies and the states prefer to hold action in these suits in abeyance until the U. S. Supreme Court has spoken in the South Carolina case in which it has taken jurisdiction. That decision, it is anticipated, will answer a great many of the questions that have been plaguing company executives and the states since the day of the S.E.U.A. decision. Unfortunately, there is little prospect that there will be a decision in the South Carolina case prior to the time that the companies must decide

what to do about premium taxes on 1945 business.

That decision, however it goes, will be a great relief. The tax question has engrossed the attention of many company executives and counsel and a great many difficult decisions have had to be made. There has been an enormous amount of research in an endeavor to guess what the Supreme Court will say. To the mutual life insurance companies particularly the issue has been vexing because of the sensitiveness of their trusteeship obligation. They feel especially keenly the necessity of safeguarding and furthering the interest of their

policyholders and at the same time they are loathe to cause a hubbub if the probabilities are heavily weighted in favor of discriminatory taxes being validated.

This whole question has been a most distracting one, albeit one that is fascinating to ponder from the purely legal

standpoint. When it is settled many an executive will have more time and intellectual capacity to devote to more productive business affairs. It will extinguish one of the greatest question marks raised by the S.E.U.A. decision and public law 15 and that will help materially to clear the atmosphere.

PERSONAL SIDE OF THE BUSINESS

Albert Stabler has completed 57 years service at Washington with Provident Mutual Life. He received a congratulatory letter from President M. Albert Linton on the occasion. Both men are Quakers and follow the Friends' custom of addressing each other as "thee" and in use of the pronoun "thine."

Mr. Stabler, in his 80s, is believed to be the oldest life agent in active service in the Washington vicinity, although his doctor tells him "not to work too hard between meals." He has a farm in the well known Sandy Spring area of Maryland, where he leads as much outdoor life as he can and rides horseback when the weather is suitable. He attributes his good health to this.

Commissioner Bowles of Virginia will get a boost in salary if the appropriation bill passed by the Virginia house last week is approved in the senate. It calls for a hike from \$6,300 to \$7,500 a year. Members of the corporation commission, which supervises his department, would have their salary raised from \$8,000 to \$9,000.

Raymond T. Smith, vice-president at Chicago for the A. M. Best Co., and Mrs. Pauline Rogers announce that they were married Jan. 24 at Golf, Ill.

The first Mrs. Smith died several years ago. She was a sister of the present Mrs. Smith. In previous years both of the ladies accompanied Mr. Smith to several insurance gatherings in various parts of the country and the present Mrs. Smith has an extensive acquaintance among insurance people.

At the annual meeting of the Canadian Club of Winnipeg, **H. W. Manning**, vice-president and managing director of Great-West Life, was elected president.

Howard C. Lawrence, general agent of Lincoln National Life at Newark, and one of the most prominent life insurance organization men in his state, is recovering at Presbyterian hospital, Newark, from a serious operation.

A. Herbert Nelson of Minneapolis, Minnesota state manager of Business Men's Assurance, is being mentioned as a possible Republican candidate for governor. He has made no announcement of his plans. Two years ago Mr. Nelson was a candidate for lieutenant governor and was second man in the primary.

Hill Montague, Jr., secretary of Life of Virginia, has been elected secretary of the Sons of the Revolution for Virginia.

Milton J. Hamilton, released from the navy after 45 months, has joined the Paul W. Cook agency of Mutual Benefit Life in Chicago. He was formerly with the company's Cincinnati office as sales manager.

J. C. Slattery, agency director of

Guardian Life, spent several days in Oklahoma City with Kenneth Aldrich, Oklahoma general agent.

DEATHS

Erich H. Reinke, 70, for 53 years an employe in the home office of Northwestern Mutual Life, died at a Milwaukee hospital after a long illness.

Walter R. Frame, 74, president of the Waukesha National Bank, a trustee of Northwestern Mutual Life, died in Florida. M. J. Cleary, president of Northwestern Mutual, was an honorary pallbearer for the funeral in Waukesha.

Arthur W. Strauss, 57, a leading agent of the Israel agency of Equitable Society in Chicago, died in Miami Beach from a heart attack. Mr. Strauss suffered a previous attack some nine months ago and was in Florida for his health. He had been connected with Equitable Society for 22 years and was a very large writer of business, having qualified at least twice for the Million Dollar Round Table.

G. E. Hargraves, 68, who represented the Aetna Life companies in Seattle, died there. He had been in Seattle since 1914.

Mrs. Charlotte F. Walker, wife of D. Stuart Walker, Philadelphia manager of Mutual Benefit Health & Accident and United Benefit Life, died Feb. 22 due to a heart ailment. She was 35.

Frederick L. Hoffman, vice-president and statistician of Prudential, who retired in 1935 after 40 years of service, died in San Diego Sunday at the age of 80 after a long illness. He was born in Varel, Germany, receiving his public and private school education there and coming to the United States in 1884 to engage in the mercantile business. Mr. Hoffman was employed by Metropolitan Life in 1887, resigning in 1891 to go with Life of Virginia. In 1893 he became a statistical assistant in Prudential's actuarial department, statistician in 1889, was elected an officer in 1902, and became third vice-president in 1918.

He was one of the founders of the American Society for Control of Cancer and after his retirement continued to concentrate his attention on cancer investigations through his connection with the Biochemical Research Foundation of Franklin Institute, Philadelphia. He was internationally noted for this research work and wrote many papers and books on the subject. He was the author of numerous papers and volumes on insurance, statistics and social science and lectured on insurance and public health at Harvard, Yale, Columbia, Cornell, University of Wisconsin, Wharton School, Standard University and University of California, besides

THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704.
EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editor: F. A. Post. Associate Editors: D. R. Schilling, J. C. O'Connor. Assistant Editors: Richard J. Thain, John C. Burridge.

BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—560 Trust Co. of Ga. Bldg., Tel. Walnut 5867. Ernest E. Hess, Southeastern Manager.
BOSTON 16, MASS.—80 Boylston St.—Room 1227, Tel. Hubbard 8696. William A. Scanlon, Vice-President.
CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, Associate Manager. L. N. Yellowlees, Advertising Manager.
CINCINNATI 2, OHIO—420 E. Fourth St.

Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor.
DALLAS 1, TEXAS—802 Wilson Bldg., Tel. Central 5833. Fred B. Humphrey, Southwestern Manager.
DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.
DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards,

Resident Manager.
KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.
MINNEAPOLIS 2, MINN.—503 Northwestern Bank Bldg., Tel. Bridgeport 7833. R. W. Landstrom, Resident Manager.
NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept. — R. B. Mitchell, Eastern Editor; Kenneth O. Force,

LIFE INSURANCE EDITION PUBLISHED EVERY FRIDAY

Associate Editor. **Business Dept.**—Ralph E. Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. H. Fredrikson, Resident Manager.
SAN FRANCISCO 4, CAL.—507-S-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

many other colleges and scientific associations.

He was president of the American Statistical Association in 1912, a fellow of the Royal Statistical Society, member German Society for Insurance Science and many other organizations of scientific, political and social significance.

G. Howard Ferguson, president of Crown Life of Toronto, died there. He was premier of Ontario for seven years and later Canadian high commissioner to London.

Mrs. Maud R. Safford, mother of W. C. Safford, vice-president of Western & Southern Life and former Ohio superintendent, died at her home in Columbus after an illness of several months.

Welch Is Equitable Production Chief

(CONTINUED FROM PAGE 1)

issue. When the policy issue and service department was created, he was its first superintendent and has been manager since early in 1945.

Mr. Graham first became associated with Equitable in 1911 as western superintendent of agencies, with headquarters at Chicago. A year later he went to New York as superintendent of the group department, and in 1918 was elected a third vice-president. In 1920 he was made a second vice-president, and in 1929 a vice-president. In 1937 he was elected a director and the agency as well as the group department was placed under his supervision.

He is the author of "The Romance of Life Insurance." He has twice delivered papers before the International Congress of Actuaries. In 1927 he was a member of the committee appointed to make a survey of the pension funds and systems of New York City. He has written widely on the social security act and group insurance. In 1937 he served on the Hearst non-partisan social security commission.

Mr. Graham is a fellow of Casualty Actuarial Society. From 1930-1934 he served as president of the American Management Association. From 1934-1936 he was president of Insurance Institute of America. He is now treasurer of New York State Chamber of Commerce. Hobart College conferred on him the LL.D. degree in 1938.

Companies for Mass. Escheat Bill

BOSTON—Several life companies, including John Hancock, New England Mutual and Massachusetts Mutual, favored a bill before the Massachusetts legislative insurance committee which would escheat to the state any moneys payable under matured life policies issued on lives of residents of the commonwealth which had remained unclaimed for seven years. Representatives of the companies said they would welcome relief from the burden of carrying many small sums indefinitely.

Contrary to a proponent of the bill, that hundreds of thousands of dollars would go into the state treasury, New England Mutual stated it had \$12,148 to turn over and Massachusetts Mutual would be able to dispose of perhaps \$5,000.

Lead General Agents

Berkshire Life General Agents' association officers for 1946 are: president, Joseph E. McCombs, Washington, D. C.; vice-president, R. Maxwell Stevenson, Pittsburgh; secretary-treasurer, Edward J. Dore, Detroit. Advisory committee members are James B. O'Brien, Albany, N. Y.; S. Samuel Wolfson, New York.

North American Life & Casualty of Minneapolis has launched a 50-day golden anniversary contest.

Robert Ardison, manager of the pension trust department of Massachusetts Mutual Life, spent three days assisting in cases in Oklahoma City.

Social Security Hearings Presage Changes

(CONTINUED FROM PAGE 13)

board recommends that this sum be paid whether or not there are dependents entitled to monthly benefits.

The board believes that earnings of \$30 a month in covered employment should be permitted without suspension of benefits.

Disability is among the important causes of insecurity. On an average day, about 3½ million persons are suffering from disabilities which have already lasted six months or more. About 1½ million of these are in the ages between 15 and 65 and, but for their disability, would have been engaged in production work. Disability is one of the major causes of dependency. In 70% of the households where the head of the family was disabled, per capita income was less than \$150 a year. Nearly one-fourth of the children granted aid under the assistance program are the children of disabled fathers.

The board strongly recommends the inclusion of permanent total disability insurance in the system.

If the committee does not consider it advisable to extend coverage to all agricultural workers at this time, the board recommends that at least the language of the present exception relating to "agricultural labor" be modified to make certain that this exception applies only to the services of a farm hand employed by a small farmer to do the ordinary work connected with his farm.

The chief problem, so far as affording servicemen the protection of the OASI system is concerned, is to make certain that survivors benefits are payable during the period immediately following active military service when they will not yet have had an opportunity to build up survivors benefit rights. One method would be to provide that in case of any death to a serviceman occurring during a fixed period following discharge survivor would be guaranteed benefits under the system, based on an assumed average monthly wage, such as \$160.

Following testimony of R. T. Compton, National Manufacturers attorney, favoring all-inclusive coverage under OASI, but proposing to put OASI on a pay-as-you-go basis, Altmeyer returned to the stand Tuesday, for examination on the basis of his prepared statement and recommendations.

Discuss Amount of Reserve

Compton suggested partial disbursement of the present \$7 billion reserve fund, before increasing payroll taxes, which should not be done until benefit payments reach one-fifth of contributions. His views were interpreted by Altmeyer, however, as favoring reserve of 5 to 10 times as high as annual disbursement "over the next 5 years or so." Under the present system, said Altmeyer, annual disbursement may be \$4 to \$6 billion, which, multiplied by 10 would mean a reserve of \$40 to \$60 billions.

Under the original schedule, Altmeyer said, by the year 2,000, the trust fund might reach \$62 to \$92 billion. He advocated permanent disability insurance with benefits for disability lasting six months or more.

In lengthy cross-examination by Rep. Gearhart the latter urged adoption of pay-as-you-go plan, which he insisted would be cheaper. Under the present system, he took the position, the public is deceived because it sees special payroll taxation for social security but has to pay taxes for interest payable by the Treasury on government bonds in which social security trust funds are invested.

Altmeyer, however, said interest on those bonds would have to be met by taxpayers if the bonds were held by life companies and other investors. He said during the last year or two life companies have invested practically all current premium receipts in government bonds.

"Yes, but Uncle Sam takes these taxes

(CONTINUED ON PAGE 24)

THIRTY-SEVENTH ANNUAL STATEMENT GREAT SOUTHERN LIFE INSURANCE COMPANY

HOUSTON, TEXAS

December 31, 1945

ASSETS

UNITED STATES GOVERNMENT BONDS	\$35,615,696.06
MUNICIPAL AND COUNTY BONDS	814,341.38
PUBLIC UTILITY BONDS	894,755.55
PREFERRED AND COMMON STOCKS	1,586,496.78
FIRST MORTGAGE LOANS	25,942,337.79
\$ 6,303,305 on farm and ranch properties, \$19,639,033 on other properties	
LOANS TO POLICYOWNERS	7,523,016.70
REAL ESTATE	703,244.64
CASH	2,419,216.41
INTEREST DUE AND ACCRUED	318,276.50
NET PREMIUMS IN COURSE OF COLLECTION	1,692,160.00
ALL OTHER ASSETS	51,921.93
TOTAL	\$77,561,463.74

LIABILITIES

POLICY RESERVES	\$66,946,813.00
ADDITIONAL POLICYOWNERS' FUNDS	2,694,422.00
PREMIUMS AND INTEREST PAID IN ADVANCE	1,199,052.91
CLAIMS NOT YET COMPLETED OR REPORTED	349,175.88
RESERVE FOR TAXES AND ALL OTHER LIABILITIES	368,192.52
TOTAL LIABILITIES	\$71,557,656.31

RESERVE FOR CONTINGENCIES AND OTHER SURPLUS FUNDS

CAPITAL	\$3,000,000.00
UNASSIGNED SURPLUS	1,750,000.00
RESERVE FOR CONTINGENCIES	1,253,807.43

TOTAL SURPLUS FUNDS 6,003,807.43

TOTAL \$77,561,463.74

LIFE INSURANCE IN FORCE \$324,947,160.00



Is This Good? OVER \$5000 A YEAR IN A SMALL TOWN!

We have often stressed the fact that you don't have to live in a big city to be successful as a General Agent. As proof we submit two typical cases among our own men:

\$5703.84

That's the income reported last year by Mr. A. who sells for us in a town of 5100 population.

\$4601.22

In a little town of only 1800 population that's what Mr. B. reported for his 1945 income.

Attractive General Agency territory open in Missouri, Iowa, Arkansas, Mississippi and Kentucky.

For full information write to Agency Dept., J. DeWitt Mills, Supt. of Agents

MUTUAL SAVINGS

MISSOURI'S FIRST WHOLLY MUTUAL LEGAL RESERVE COMPANY
Life Insurance Company

812 Olive Street

Allen May, President

St. Louis 1, Mo.

COMPANIES

Launch Move to Mutualize Pacific Mutual

LOS ANGELES—The first step toward mutualization of Pacific Mutual Life has been taken by the mutualization committee of the Pacific Mutual

General Agents Association, of which Joseph M. Gantz, Cincinnati, is chairman.

The committee is calling upon the agents of the company to obtain signatures of policyholders to a request addressed to the company, by which mutualization proceedings may be initiated in conformity with the rehabilitation and reinsurance agreement of July 22, 1936.

To Set Up Committee

Under the agreement, the filing of such a request with the company will result in the creation of a price determination committee for the purpose of

formulating a plan for mutualization and fixing the price to be paid for the stock of Pacific Mutual in order to complete the mutualization.

Sells Home Office Building

Victor F. Pettrich, president of Constitution Life, announces that the eight-story home office building in Hollywood, Cal., has been sold for \$500,000. He states that plans are under way to put up a building that will look like Independence Hall in Philadelphia and will be surrounded by what will be called Constitution Park.

A. Furbush, director of industrial agencies, and E. L. Gutterson, superintendent of ordinary agencies.

Commonwealth New Department

Commonwealth Life has organized a department designed solely to service salary savings franchises and group contracts. The department will be headed by George R. Chase, Jr., former supervisor in the ordinary agency department.

The department is designed to aid installation of salary savings franchises and group contracts and will assist in servicing and sales of these features.

Now Progressive of Red Bank

Progressive Life of New Jersey has moved from Long Branch to Red Bank where it is occupying a building at 363 Broad street, named the Progressive Life building. This is a company operating under the old assessment law, but putting up full legal reserves. It operates in the life and A. & H. fields and specializes on Negro risks. Louis Horowitz is president.

Am. Nat'l Hits New Peak

Ordinary production of American National during January was the largest of any month in history. The sales exceeded \$30 million of which \$20 million came from industrial agencies and \$10 million from the ordinary men.

This was particularly gratifying because it occurred during the birth month of President W. L. Moody, Jr. It was his 81st birthday.

The campaign was conducted by R.

AMONG COMPANY MEN

Clay Johnson Succeeds Father as Interstate Head

H. Clay Evans Johnson has been elected president of Interstate Life & Accident, succeeding his father, Dr. Joseph W. Johnson, who becomes chairman.

Clay Johnson was previously executive vice-president.

Dr. Johnson has been associated with Interstate since it was formed in 1910. He was originally medical director and for the past 24 years has been the president.

Clay Johnson started with Interstate in 1934 in the field. He was elected executive vice-president in 1942. He served in the navy and was a lieutenant-commander. In 1939 he was selected by the Tennessee Junior Chamber of Commerce as the young man who had rendered the greatest service to his state in that year. He was educated at Hotchkiss and Princeton. He is a member of the executive committee of the Industrial Insurers Conference.



H. C. E. Johnson

Bader Assistant Secretary

Charles H. Bader, actuary of Interstate, was elected assistant secretary as well. He served as a captain in the army. He is a graduate of University of Washington and of the actuarial department of University of Michigan and has been with Interstate since 1932.

During January a campaign in Dr. Johnson's honor resulted in the sale of \$1½ million of ordinary. Interstate is preparing to put up a temporary addition to its building to take care of its immediate requirements until the management feels that the time is opportune to put up a new building.

Gould New President of Reliable Life, St. Louis

At the annual meeting of Reliable Life of St. Louis, J. Spencer Gould, formerly secretary-treasurer, was elected president. John L. Bracken, superintendent of Clayton, Mo., public schools, who had been president, was elected chairman.

O. H. Jekel, formerly actuary, was named vice-president and actuary and Henri Chomeau was elected secretary-treasurer.

Mass. Protective Men Return

Several members of the home office staff of the Massachusetts Protective companies have returned from service.

Edward R. Hodgkins, assistant secretary, served as lieutenant commander during the war, his last assignment being on the cruiser Memphis. He is an Annapolis graduate. Francis A. Harrington, assistant secretary, served as a lieutenant in the navy. His last assignment was on the Doyle C. Barnes, a destroyer escort.

Dr. Harold R. Leffingwell, assistant medical director, was a battalion medical officer and had service all through the European campaign. Dr. George E. McCabe, assistant medical director, was with a hospital unit all through the European invasion, both in Italy and France.

O'Shaughnessy Education Chief

DENVER—George W. O'Shaughnessy, formerly home office agency assistant of Security Life & Accident, has been appointed education and publicity director.

Ross F. Roberts, recently named assistant superintendent of agents for the Pacific Coast in the accident and health department, has moved to Los Angeles.

New Manhattan Life Director

E. J. Crawford, New York City real estate man, has been elected a director of Manhattan Life. He is a vice-president of Charles F. Noyes Co.

Union Labor Life has elected as directors Frederick W. Gehle, vice-president of Chase National Bank; Peter Grimm, president William A. White & Sons, real estate, and Richard W. Condon, an attorney and director of Life Extension Institute.

Empire Life of Kingston, Ont., has promoted D. W. Morphy to superintendent of agencies. He has been with the company 12 years as branch manager and agency supervisor.

B. B. Gribble, vice-president of World of Omaha, has been elected a director.

Estate Problems Seattle Topic

William B. Laney, general agent of State Mutual Life, and Henry L. Judson, vice-president and trust officer of the Seattle Trust & Savings Bank, gave suggested solutions to an estate problem at a meeting of the Seattle Life Insurance & Trust Council.

THE NEW INSURANCE MONEY MAKER

issued by the
ILLINOIS BANKERS LIFE ASSURANCE COMPANY

THE INCOME BUILDER

1. We have a NEW PLAN to enable you to make more money in these times.
2. ONE-TENTH THE SALES, through large first commissions and large renewal commissions will return you TEN TIMES the earnings of the same volume of life insurance alone under our plan.
3. IN ONE YEAR, you build as large a renewal income as you would in ten years writing the life insurance alone under our plan.
4. This Insurance Pays All Ways:

If you live too long.
If you do not live long enough.
If you are disabled.
If you have an emergency need for cash.
ALL AT EXCEEDINGLY LOW COST.

HUGH D. HART
Vice President and Director of Agencies

Illinois Bankers Life Assurance Company
MONMOUTH, ILLINOIS

WANTED!

STATE AND ASSISTANT STATE MANAGERS

A large and well-established Life Insurance Company, operating throughout the United States, has openings for men with managerial experience who can earn between \$5,000 and \$10,000 per year. Excellent opportunities in the following states:

INDIANA
PENNSYLVANIA

ARKANSAS
MISSISSIPPI

LOUISIANA
GEORGIA

Send photo and give age and experience in first letter—all inquiries will be considered confidential.
Write Box E-56, THE NATIONAL UNDERWRITER, 175 West Jackson Blvd., Chicago, Illinois.

LIFE AGENCY CHANGES

Kerns Takes Charge at Salt Lake City

John S. Kerns, Pittsburg, Kan., has been named general agent of Northwestern Mutual Life at Salt Lake City, effective April 1, to succeed Charles C. Guilford, who asked to be relieved of general agency duties and will continue in personal production in the Utah



John S. Kerns



C. C. Guilford

agency. Mr. Kerns joined Northwestern Mutual at Pittsburg in 1934 with a background of general insurance experience at St. Louis. Over the last 11 years he has made a successful record as district agent in southeastern Kansas. His agency ranked 10th in national competition for district agents'

cup in the last agency year, and was first in the five midwestern state comprising region VI during the last six months. In addition to management duties, he also has been a successful personal producer, with 1945 production exceeding \$250,000.

He is past president Pittsburg and Kansas Life Underwriters Associations, was an organizer and twice general chairman of the southeastern Kansas sales congress, and is a member of the National association membership committee. He has been active in civic work, and through the eight war bond drives has been Kansas vice-chairman of the payroll deduction bond purchase program.

Before going to Salt Lake City, Mr. Guilford was with Northwestern Mutual at Eau Claire, Wis., for 18 years. He has been a C.L.U. since 1942.

Don Alford Returns to Post with Prudential in Chicago

Don K. Alford, assistant manager of the La Salle ordinary agency of Prudential in Chicago,

has returned to his post there after 26 months in the navy. Mr. Alford has been associated with Prudential since 1936, is a past-president of the Life Agency Supervisors of Chicago, and is a C.L.U. He has represented Prudential on some of the largest brokerage risks placed in the Chicago life insurance market, and will continue the development of brokerage business and new full-time agency personnel.

The agency, of which A. Van Goldman is manager, has been among the Prudential leaders for many years, and in 1945 ranked third in the country on a net increase basis and 4th in total business paid-for.



Don K. Alford

Ferrell Named Assistant Manager at Richmond

Home Life of New York has appointed William B. Ferrell, who recently returned to Richmond, Va.,



W. B. Ferrell

from service overseas with the army air forces, as assistant manager in the J. C. Bristow agency there. In January he attended the home office school and received instruction in the planned estates service. Mr. Ferrell was in life insurance at Richmond prior to entering the army in 1941. He was assigned to the air forces at Middletown, Pa., and went overseas in 1942, where he served in England, France and Belgium with the troop carrier command. He returned last fall as a lieutenant-colonel.

He is a native of Richmond and attended McGuire's School and Virginia Military Institute.

Brooks Associate General Agent

Russell Brooks has been appointed associate general agent for Union Central Life at Seattle in recognition of the work he did as acting manager during the period when Donovan F. Moore, general agent, was in the army. He has been with the agency for 20 years, serving as manager from 1943 until Mr. Moore's return several months ago.

McGaughan Mutual Life Manager in Springfield, Mass.

T. F. McGaughan, discharged from the navy as lieutenant-commander, has been appointed manager of the Springfield, Mass., agency of Mutual Life effective March 1. He succeeds E. L. Stanley, who has resumed personal production.

Mr. McGaughan was graduated from

Dartmouth and Fordham, where he received his B. S. and LL.B. degrees, respectively. He joined Mutual Life in 1925, as an agent and was later appointed supervising assistant in the Bowers agency in New York City. He is a C.L.U. He was appointed manager of the Providence agency in 1941. He left late in 1942 to accept a commission as lieutenant. In the service he served as air combat intelligence officer for a medium bomber squadron operating in all theaters of war.

Thomas Kimball, after two years in service, has resumed his former posi-

DOORWAY TO DADS

SOME LIFE INSURANCE men still don't believe in juvenile insurance. But we've yet to meet the salesman who doesn't believe in taking the surest and quickest road to his prospect's heart.

That's why some men who don't enthuse about juvenile insurance nevertheless use our Junior Estate policy approach.

True, Junior Estate is our fifth biggest seller in its own right, but it's the *additional* insurance dads buy on their own lives after the Junior Estate approach that reveals the amazing power of this idea.

They say the surest road to a man's heart is through his stomach. Don't you believe it!

Occidental Life Insurance Company
of California

V. H. JENKINS VICE PRESIDENT

"We pay lifetime renewals — they last as long as you do"



GUARDIAN of TOMORROW

It is an unusual American who does not have as a primary goal—future security for himself and his family. Yet perhaps nothing so universally desired is more impossible of attainment when the individual must depend only on himself.

But through life insurance such security is available to everyone, and we at Provident have helped an ever-increasing number of Americans face the unpredictable future with confidence. For three decades we have been able to provide for the future security of more and more people through a program of conservative growth . . . based on sound, safe, financial principles.

If we are to be the guardians of tomorrow for yet more and more people, we must build for tomorrow. That is our planned course.

THE PROVIDENT LIFE INSURANCE COMPANY

BISMARCK, NORTH DAKOTA

WESTERN OFFICE
208 PLATT BLDG.
PORTLAND, ORE.



Dominion Life
THE ASSURANCE COMPANY
Since 1889
HEAD OFFICE - WATERLOO, ONTARIO
SPECIAL PLANS FOR SPECIAL NEEDS

Do you know what Eau Claire means?

Eau Claire means "clear water." But that isn't just what we had in mind. Of course you knew that.

The beautiful Eau Claire, Wisconsin, means something much more than that to some one who is qualified to be a *Regional Supervisor* in that territory for our Company.

The Eau Claire Agency has a number of most attractive assets, which will make the new Supervisor happy—and enable him to do a good job for the Company and himself.

There are a number of active producing agents, writing Life and Accident and Health Insurance for the Company.

The Company is well known in the territory, with a large volume of seasoned business written through the years.

The right man will find that Eau Claire means opportunity, for all the requisite conditions that make for success are present. If you are free to negotiate, ask us for additional information.

Write Jno. A. Sullivan, Vice President

Great Northern Life INSURANCE COMPANY

WISCONSIN CORPORATION

110 S. DEARBORN ST. — CHICAGO 3



Our copyrighted **Q-V-S** (Quality-Volume-Service) Compensation Plan is like a wise, unseen business partner for the Underwriter. It looks out for his interests and gives him daily encouragement to make each interview count.

Q-V-S pays the Underwriter more for good quality, good volume, length of service.

See how Q-V-S would work in your own case. Write for facts today.

THE CAPITOL LIFE INSURANCE CO.

Clarence J. Daly, President
W. V. Woollen, Agency Vice President
Home Office—Denver 5, Colorado

tion as district manager in the Kellogg Van Winkle agency of Equitable Society in Los Angeles.

Guardian Life Names R. H. Dean as R. I. Manager

Richard H. Dean has been appointed for Rhode Island by Guardian Life. This is Guardian's first Rhode Island agency and the appointment is the second step in its plan for developing the New England territory. On Jan. 1, Manager Harry Ross, Jr., of Boston, was named New England field director. He will work actively with Mr. Dean in building a state-wide organization, with headquarters in the Industrial Trust building, Providence.

Mr. Dean has been with Penn Mutual. He entered life insurance in 1941 from the advertising and printing field. He is chairman of the state national quality award committee.

Prudential Promotes Two in Pennsylvania Offices

Charles F. Laros has been promoted to superintendent of the Philadelphia No. 3 office of Prudential. He began his career with Prudential there as agent in 1934. He became assistant superintendent in 1939.

Mr. Laros is a graduate of Muhlenberg College and has a Ph.D.

Wilbert R. Jobe has been promoted to superintendent of Harrisburg No. 1.

He joined Prudential in 1930, and was made assistant superintendent in 1932.

Marvin Lunoe Now General Agent of Union Mutual

Marvin S. Lunoe, general agent of Mutual Trust Life in the home office agency in Chicago for the last 1½ years, has resigned and been appointed general agent by Union Mutual Life in that city. He is a brother of L. R. Lunoe, who is general manager for Union Mutual in Illinois, Indiana and Michigan with headquarters in Chicago. The latter has just had Missouri and Minnesota added to his jurisdiction. Both brothers occupy the same office in the Bankers building.

Marvin Lunoe has been in the life insurance business for 15 years in Chicago, previously having been a teller of the Mid-City Trust & Savings Bank. He took a commercial course in the University of Minnesota before entering the business world. As a life man he has been a very substantial producer.

Rudd and Van Fleet Team Up

John S. Rudd, Jr., who has been released from the navy as a lieutenant commander, has joined George Van Fleet in the consulting actuary field at Austin. They will do work for life and casualty companies and for public and private pension plans.

Mr. Rudd graduated from the University of Michigan actuarial school, went with Southland Life, then became vice-president and actuary of Southern Standard of Houston, in 1937 became actuary and assistant director of teacher retirement system of Texas.

He will continue to act as actuary for the teacher retirement system. During his absence in the navy that work was handled by Mr. Van Fleet.

Mr. Van Fleet graduated from Montana State College in 1923, then was a mathematics instructor at University of Michigan, later was assistant professor of mathematics at Oregon State College. He got his master's degree in mathematics at University of Michigan in 1929 and then became assistant actuary of American National of Galveston. In 1935 he was named actuary of the Texas department and since 1941 has been operating as an independent actuary for life and casualty companies and for a large oil company.

Until suitable office space is available Mr. Rudd will make his headquar-

ters at 107 West 14th street and Mr. Van Fleet will continue at 801 Tribune Tower building.

Meyers Is Great Southern Oklahoma City Manager

Great Southern Life has appointed Stewart E. Meyers manager of the Oklahoma City agency. He is a native of that city and a 1928 graduate of Oklahoma University in business and economics. He also was graduated from



STEWART E. MEYERS

the life insurance course in New York University.

Returning to Oklahoma City, he entered life insurance selling and soon became successful. He is a past president of the Oklahoma City Association of Life Underwriters.

In September, 1940, he became a captain of infantry, and after 5½ years' service, with 21 months in the south Pacific, he is now being inactivated with the rank of colonel.

R. B. Fraser Buffalo Supervisor

Robert B. Fraser has been appointed supervisor of Penn Mutual Life in Buffalo after more than three years of military service. Allan W. Carpenter is general agent there.

Edwards Seattle Manager

Charles F. Edwards, agency director of New York Life in Los Angeles since 1940 has been appointed manager of the Seattle agency. He was graduated at the University of Illinois in 1930 and has been in life insurance since 1931, first in Kansas City and since 1937 in California.

Williams to Olympic National

Roy Williams, recently operator of a dude ranch in South Dakota, has joined Olympic National Life as general agent at Boise, Ida. He has produced \$150,000 of new business since Jan. 1. He previously had represented State Life of Indiana and Policyholders National Life in that territory.

Robinson Vermont Manager

E. M. Robinson has been named manager at Burlington, Vt., of New York Life. He joined New York Life at Syracuse in 1930 and became an agent there in 1937. He was promoted to assistant manager at Albany in March, 1944, and has been assistant manager at Burlington since August, 1944.

Thompson Succeeds Lyles

Ted R. Thompson has been appointed manager of the home office agency of Western Reserve Life of Austin, Tex., succeeding Bob Lyles, who resigned to enter business in Wichita Falls. Mr. Thompson was with Phoenix Mutual Life in Oklahoma, with Great National

No Guesswork with Agents Trained by T.W.I. Methods

Cal-Western agents trained during 1945 (beginning October 1), according to TWI "Training Within Industry" methods through the Company's copyrighted You, Inc. course for new agents, provide convincing proof. Twenty-four agents received training. A survey of their business and earnings at the end of their first three months revealed:

- (1) Average production per agent totaled \$71,551.
- (2) Average commission per \$100 was \$20.38.
- (3) The ratio of interviews to sales was 3.8%.
- (4) Average application was \$3,248.
- (5) Average 1st year earnings (on three months' business) \$1562.95.

TWI training through Cal-Western's copyrighted You, Inc. course of instruction has given them a sound foundation on which to build for the future.

In addition to the above, the Company has 50 more agents who are in their first three months training. Results of their experience will be given in a future advertisement because Cal-Western believes that TWI is destined to exert more and more influence over the training of future life insurance sales men and women.



California Western States Life Insurance Company

HOME OFFICE SACRAMENTO

Life in Austin and later general agent of Security Life & Accident.

Returns to Little Rock

W. F. Sanderson has returned as group department manager for the Campbell & Vineyard Aetna Life agency at Little Rock after three years in the army.

Mr. Sanderson, a native of Memphis and a graduate of Vanderbilt university, advanced from private to captain.

Scott Returns to Gary

John A. Scott, Prudential district manager at Gary, Ind., from 1928 to 1941, has returned there after having been at Flint, Mich., in the same capacity. He is former president of the Calumet Life Underwriters Association.

Navy Men to Sun in Detroit

F. K. Ziegel, who has been an ensign in the navy, has rejoined the group department of Sun Life in Detroit. Lt. P. E. Drury, naval air corps pilot, has joined that department. He is a son of L. V. Drury, Sun Life manager in Philadelphia.

Stevens in St. Louis for Travelers

George F. Stevens has been released from the navy and appointed assistant manager in the life department at St. Louis for Travelers.

Mr. Stevens was in the navy for two years and served in the South Pacific as a lieutenant.

New Partnership at Kenosha

Phoenix Mutual Life has named Charles Jaskwich as a partner with Schuyler Seager to form the Seager & Jaskwich agency at Kenosha, Wis.

O. Roloson Wilcoxson, for a number of years agency organizer, branch of Mutual Life in Detroit under Manager J. W. Paige, has returned to the agency after 2½ years in the army.

NEW YORK

GENERAL AGENT IN FROM HAWAII

Scott Brainard, of Brainard & Black, general agents of the United States Life in Hawaii, arrived in New York City to confer on post-war plans and the servicing of insurance produced since Dec. 7, 1941.



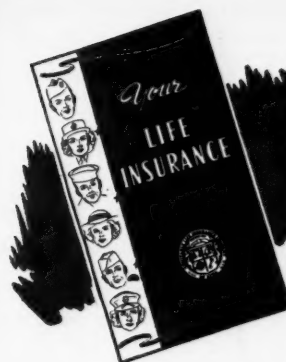
Scott Brainard

United States Life was the only company in Hawaii which offered full war risk coverage continuously throughout the entire war period. Mr. Brainard, and his partner J. A. Black, have represented U. S. Life in Hawaii since 1938. Their activity brought about the opening of its home office of issue in Hawaii in 1944.

HOME AND HOME LIFE

In some of the newspaper stories reporting the hearings on the confirmation of George E. Allen as RFC director, Mr. Allen was identified as being a vice-president of Home Life of New York. As a matter of fact, he is vice-president of Home of New York, the fire insurance company group. However, the newspaper reporters were not the only ones to make this error. Either Senator Barkley made that mistake or he was misquoted in the "Congressional Record" of Feb. 18 because Senator Barkley was quoted as follows:

"Mr. Allen in his testimony before the committee was very frank. He said he



"The new booklet, **YOUR LIFE INSURANCE**, is just what we who are now far from home want and need. Please send me 25 copies so that I can pass them on to others over here."

And so, in substance,

have read numerous letters from our men in the armed services, following their reading of the Company's 32 page booklet on National Service life insurance.

Information and advice, if sufficient and impartial, is always appreciated. That is why the life underwriter under arms, his buddies, and his loved ones at home, all regard *Your Life Insurance* so highly. It is concerned only with the serviceman's life insurance problems. It outlines clearly the unique benefits of National Service life insurance. It urges the serviceman, without exception, to retain and convert to a permanent plan his government policy, and it tells him exactly how to get that job done with a minimum of effort.

EQUITABLE LIFE OF IOWA

Founded 1867

Home Office

Des Moines



ADAPTATION

Charts the course of our national progress. Americans, quick to accept new improved methods during the war, have proven this principle. Likewise, we of Anico have designed new, modern policies to meet the changing needs of all and to make secure the future of life insurance sales executives.

Men of Anico are filling their kits with the better plans in life insurance. Watch them bustle with enthusiasm, better still pack your kit with these new plans and "go Anico in 1946".

OVER A BILLION *Now* \$1,350,000,000 INSURANCE IN FORCE

American National INSURANCE COMPANY

GALVESTON, TEXAS - W. L. Moody, Jr., President

was giving up his position with the Home Life Insurance Co. The Home Life Insurance Co. is a fire insurance company in New York. It has several subsidiary insurance companies which are listed in Mr. Allen's testimony. From the Home Life Insurance Co. he draws a straight salary of \$28,000; and, as he testified, he also draws fees of approximately \$2,000 a year for attending meetings of the board of directors of the Home Life Insurance Co. . . . He is giving that up absolutely; he is severing his connection as a member of the board of

directors of the Home Life Insurance Co."

PROGRAM FOR SALES CONGRESS

Theme of the New York City sales congress March 14 at Hotel Pennsylvania will be "Reconversion Problems of the Life Underwriter." There will be a panel of recently returned servicemen, including Harry Phillips, Jr., Penn Mutual; Paul Troth, Home Life of New York; and George F. Kiely, Phoenix Mutual. A trio of successful life insurance women, each of whom is now a

member of the home office staff of her company, Beatrice Jones, Guardian; Hermine Kuhn, Manhattan, and Mildred Stone, Mutual Benefit, will discuss the woman's angle.

A group of weekly-premium producers, H. A. Meyer of John Hancock, and Michael Vergo and B. F. Toch of Metropolitan, will present the problems of the industrial agent. Business insurance case-histories will be described by F. F. Stafford of State Mutual; the importance of programming by M. E. Jacobs of Northwestern Mutual; and an assortment of sales slants by John Poinier of John Hancock.

Other features will include an address by S. G. Hale, assistant superintendent of agencies of Mutual Life, on "Better Selling Tomorrow" and a presentation by S. A. Monroe, agency assistant of Equitable Society, of special opportunities in today's market.

V. B. Coffin, vice-president and superintendent of agencies of Connecticut Mutual, will summarize the program.

INSTITUTE'S WOMEN GATHER

Members of the advisory committee of the women's division of the Institute of Life Insurance will meet with Mrs. Marion E. Eberly, its director, March 11. Mrs. Elma Easley, California-Western States Life, as chairman of the women's committee of the N.A.L.U., an ex-officio member of the committee, will fly from Portland, Ore., to attend the meeting.

Miss Caroline Hood, director of public relations of Rockefeller Center, will be guest of honor at a luncheon. In addition to Mrs. Easley, the members of this committee are: Helen Rockwell, Margaret Divver, Mary Barber, Mildred Stone and Beatrice Jones.

LADIES PROGRAM MARCH 5

The League of Life Insurance Women of New York at its March 5 meeting will hear Mrs. Eleanor Vaughn, recently returned from the international women's congress at Paris and Eric Troop, Chemical Trust Co., on "Life Insurance-Trust Coordinated."

WILL ASSIST ZEIGEN

J. S. Siegel has been engaged by General Agent S. L. Zeigen of Provident Mutual at New York to help in the planning of advanced underwriting cases and problems involving pensions and business insurance. Mr. Siegel will have the title of agency manager.

Until he went into war work in 1942, Mr. Siegel was a personal producer for about 10 years, first with New York Life and later with the branch of Union Central at New York of which Mr. Zeigen was formerly manager. Mr. Siegel is a member of the New York bar and a C.L.U.

SALES MEETS

Mutual Trust Holds Four Sales Meetings in Feb.

Four regional field meetings were held by Mutual Trust Life in February. They were conducted at Chicago for men from Illinois, Indiana, southern Wisconsin and eastern Iowa; at Green Bay for central and northern Wisconsin and northern Michigan; at Minneapolis for northwestern Wisconsin, western Iowa, Minnesota and North Dakota; and at Toledo for Ohio, central and southern Michigan and Indiana.

Present from the home office were Raymond Olson, president; Paul S. Nelson, western department manager; Stacy B. Merchant, assistant western department manager; H. A. Newhart, home office agency manager, and Roald Roffson.

All sessions were identical, the first morning being devoted to prospecting and closing arguments and the afternoon to an analysis of buyers for 1946, with a complete explanation of new company sales material. The second

morning the new Mutual Trust plan for estates, together with a theoretical program completely worked was presented, and in the afternoon field men held an open forum on best sales ideas for 1946. The meetings were wound up with an address by President Olson.

Prizes were given to agents at each session who had the most applications last year and those with the largest volume.

State Farm Has Okla. Rally

OKLAHOMA CITY—Fletcher M. Coleman, director of claims of the State Farm companies, Bloomington, Ill., was the chief speaker at the Oklahoma agency meeting of the companies. A. M. Settle, state director, presided, assisted by Mike Badeen, Tulsa, district manager. Guests included Glen Wood, agency claims manager, and A. B. Chapman of MacAlester, both of whom recently returned from military service.

100 AT W. VA. PARLEY

About 100 attended a regional meeting of the State Farm companies at Charleston, W. Va., with M. S. Judy, state director, as host. Mayor Dawson gave an address of welcome. Speakers included Clyde Bonar of Burlington, president West Virginia Farm Bureau; Hayes Picklesimer and Joseph Turner of the Kanawha Valley Bank; J. H. Robson, manager of Western & Southern Life, and A. W. Tompkins, agency vice-president of State Farm companies.

COAST

J. R. McClung, Jr., Joins Kirschner

John R. McClung, Jr., formerly with the advertising department of the Aetna Life companies at the home office, has joined the staff of Kirschner & Co., Pacific Coast insurance advertising agency, with headquarters at San Francisco.

Mr. McClung in the war was a captain in charge of signal centers of GHQ, New Guinea and the Philippines. He graduated at Kansas State College.

White, Denny to Visit Coast

George Avery White, president of State Mutual Life, and Robert H. Denny, vice-president, will be in San Francisco March 12-13 in conference with General Agent Henry G. Drabin and agents in that territory.

Big Increase in Wash. Licenses

SEATTLE—Licensing of agents in Washington has increased 25% since the end of the war, the insurance department reports.

Licenses are being issued now at the rate of about 600 a month, as compared to 500 a month in the heaviest pre-war years. Most of the applicants are veterans and much younger than those in normal times.

AGENCY NEWS

Laffer Agency Meeting

At the annual meeting of the H. W. Laffer Kansas agency of Northwestern Mutual Life in Wichita, L. J. Evans, assistant director of agencies, William Minehan, assistant secretary, and Dr. Ralph T. Gilchrist, assistant medical director represented the home office. Mr. Laffer reported paid business in 1945 approximately \$1 million above the previous year. Payne Ratner, former Kansas governor, now a Wichita attorney, was banquet speaker.

Mammel Agency Party

Clayton Mammel, home office general agent of Farmers & Bankers Life, returned from southern California, where he had spent six weeks recuperating from an illness, to entertain his agency

Thirty Years of Service

The Shenandoah Life Insurance Co. opened for business on February 1, 1916. As of December 31, 1945 we had 60,584 policyowners insured for \$327,918,251. From 1916 through 1945 we paid to policyowners \$32,822,602.08. World War Two claims paid to December 31, 1945 totaled \$1,155,889.86. Assets had grown to \$17,882,264.13—a record based on Life Insurance Service.

Openings in Virginia, West Virginia, North Carolina, South Carolina, Tennessee and Alabama.

STRONG-PROGRESSIVE

Shenandoah
Life INSURANCE CO., INC.
ROANOKE 10, VIRGINIA

PAUL C. BUFORD, President

SECURITY

is a simple matter!

With a Bankers Mutual Life contract, tailored to your measure. An Agent's and Policyholder's Company "where the Agent reigns supreme".

Bankers Mutual Life Co.
ESTABLISHED 1907
FREEPORT, ILLINOIS



staff and their wives and his office assistants at his annual birthday party. The largest production in the history of the agency as well as the company was celebrated, the agency going some 35% above 1945, the previous high. Frank B. Jacobshagen, vice-president in charge of agencies, and Clarence Swallow, assistant secretary, represented the company.

Butler Leads Fidelity Mutual

The Charles Butler agency of Fidelity Mutual Life in Chicago was the leading agency for that company in January. Mr. Butler led the company in paid production for the month.

Three new men have been added to the sales force: Donald Stewart, Gordon Dibble and William Vance. All three were officers, Mr. Stewart a major under Gen. Patton, Mr. Dibble, a marine lieutenant, and Mr. Vance, a bomber pilot.

Spokane Agency Sets Record

The Spokane agency of Equitable Life of Iowa exceeded its 1945 quota by 219% in volume and 276% in premiums, according to Herman Schmidt, Jr., general agent. Business topped the \$1 million mark.

All members of the staff qualified for the convention in Quebec in July.

MANAGERS

Quick Production Needed by New Agent

SEATTLE—Importance of getting a new agent into production as quickly as possible was emphasized by Delbert C. Roberts, general agent here for Minnesota Mutual Life, in a talk on "The First Ninety Days in the Field for the New Agent" Monday at a meeting of the Seattle Life Managers. It is necessary to get him out from behind his desk and onto the street at once.

The recruit in the Roberts agency is trained in a simple sales talk, with several closings, and after four or five days is ready for the field. Mr. Roberts accompanies him for a short time but puts the agent on his own as quickly as possible, although keeping personal daily contact with him. He warned against overtraining the man and against making him dependent on general agent or supervisors. "The only way he will be a success is to stand on his own two feet."

Builds Around "Plan Book"

Every new agent builds his program around a "a plan book," sets a goal for his first year's earnings, and then the general agent helps him plan a program to achieve that goal, estimating time required and interviews that must be made.

Of Mr. Roberts' five full-time men, the highest sold \$205,000 in his first three months and the lowest \$97,000; the others, \$158,000, \$143,000 and \$117,000. Since the first of this year, the five—none with the agency longer than six months—have produced \$497,000.

Mr. Roberts personally wrote \$300,000 in 1945, his first full year as general

agent at Seattle after being assistant superintendent of agencies. His agency produced \$1,000,000 of new business last year, exceeding its quota by 200%.

Bingham Speaks on Guertin Law

Gordon Bingham, actuary of Northern Life, will speak on the Guertin law March 19 at a meeting of the Seattle Life Agency Cashiers Association.

Havens Addresses Cashiers

Arthur Havens, assistant actuary of Pacific Mutual Life, addressed the Life Agency Cashiers Association of Los Angeles on the Guertin bill. He said that in operating under the bill rates may well be higher because of the low interest rates earned by companies; that under the C.S.O. table the non-forfeiture values may be higher at the lower ages and lower at the higher ages.

Aviation Talk in Los Angeles

Vernon A. Johnson, associate public relations manager of the Lockheed Aircraft Corp., addressed the Life Insurance Managers Association of Los Angeles on "Let's Bring Aviation Down to Earth."

The changes in the constitution, voted at the previous meeting, won final approval, the chief change being the elimination of associate members.

Managers Meet with C.P.A.'s

The Life Agency Directors Conference of Jacksonville met jointly with the members of Jacksonville chapter, Florida Institute of Accountants, at a dinner meeting with the accountants as guests. The subject for discussion was "Estate Taxation."

A. LeRoy Johnson, Sun Life of Canada, spoke on cooperation of life men and C.P.A.'s to the mutual interest of both and to the public. D. A. Davis, C.P.A., spoke for the accountants. He suggested that life men and C.P.A.'s get acquainted and work together to the interest of clients and beneficiaries.

Estate Talk in Wichita

The Wichita General Agents & Managers Association heard Bertrand M. Lester, trust officer of the First National Bank, speak on "Wills, Trusts and Estates." C. K. Fleenor has been elected secretary-treasurer to succeed Dan Wilbanks, who moved to Tulsa after the annual meeting.

Reiley Speaks on Training

Edward L. Reiley, general agent of Penn Mutual at Cleveland, spoke before the Life Managers & General Agents Association of Columbus Monday on training.

Farewell Dinner for Pearson

A farewell dinner in honor of Sam C. Pearson, who is retiring March 1 as general agent of Northwestern Mutual in Kansas City, was given Wednesday, by the Kansas City General Agents & Managers Association.

The Minneapolis Cashiers Association had as guest speaker the superintendent of Minneapolis schools, Willard Goslin.

ACCIDENT

Announce California State Meeting, Congress Speakers

E. J. Miller, Massachusetts Bonding, San Francisco, president of the California Association of Accident & Health Managers Clubs, will preside at its annual meeting at the Hotel Whitcomb, San Francisco, the morning of March 7. New officers will be elected and other state association business transacted. William E. Leiby, Massachusetts Indemnity, will tell how the Accident & Health Producers Association of Southern California operates. It is hoped that

Over
\$200,000,000.00
INSURANCE IN FORCE

Over
\$23,500,000.00
ASSETS

Sale of ordinary Life Insurance showed an increase in 1945 over the previous year of 28%.

The Company still has available a few choice cities in the South for underwriters who can qualify for a General Agency.

PROTECTIVE LIFE INSURANCE COMPANY

WILLIAM J. RUSHTON, President
BIRMINGHAM, ALABAMA



NEVER IN HISTORY

has it been so necessary
to take care of tomorrow
with the resources of
to-day. Life Insurance
meets the challenge of
the unknown tomorrow
by the insight, prudence
and resources of to-day.

SUN LIFE

ESTABLISHED 1865

OF CANADA

HEAD OFFICE
MONTREAL



The Boston Mutual Life Insurance Co.
Fifty-fourth Year of Service to
the People of New England.

a similar organization may be formed in San Francisco. E. H. Mueller, managing director and acting executive secretary of the National association, will tell what that organization expects from the coast contingent.

Stephen S. Battleson, West Coast Life, president of the Accident & Health Managers Club of San Francisco, will preside at the luncheon. Elmer E. Robinson, superior court judge, will speak on "My Hobby—Collecting Early American Papers and Documents."

G. V. Chandler, General Accident, San Francisco, will be in charge of the sales congress, which will start at 2 p.m. Herbert H. Kirschner, president of the San Francisco Advertising Club, will speak on "You're on the Front Page;" William H. Hardy, manager home office agency West Coast Life, on "Prospects;" Mr. Mueller on "Magic in Selling;" Leland B. Groezinger of Pillsbury, Madison & Sutro, who represents the

Life Insurance Association of America, on "Legislation and How It Affects Your Business" and Walter G. Gastil, Los Angeles manager of Connecticut General Life, on "Trends."

A cocktail party will be held from 5:30 to 7:30 and at 8 p.m. the San Francisco club will entertain the Los Angeles visitors at the Forbidden City, a nightclub in the Chinese quarter.

C. C. Washburn, Preferred Accident, is general chairman.

"His Occupation" Bill in R. I.

A bill to place the Rhode Island sick insurance fund on a "his occupation" basis has been passed by the lower house and is now in the Senate. The measure is intended to nullify a finding of the Rhode Island superior court that a person who is able to carry on any occupation may not receive state sick benefit.

creased surrender values. A number of societies, it appeared, are considering adopting the C.S.O. table or at least going on a lower interest assumption but they are concerned over a problem that arises from attempting to create a reserve on their higher interest base business which will protect it against the low interest trend. If they should set up this reserve specifically as a buffer for the higher interest rate business they might expose themselves to demands from certificate holders for higher cash values.

Prefer It as Contingency Reserve

The thought expressed at the congress meeting was that it was safer to set up such reserve as a contingency reserve without allocating it specifically to protect the high interest rate business. As a contingency reserve it still would function for the intended purpose.

Mr. Brown concluded that whether a society goes on one or another table is of much less consequence than that its contracts are amply guaranteed.

Insurance Director Parkinson of Illinois and E. F. Barnes, fraternal division supervisor, were guests at a luncheon. E. F. McGinnis of Stifel-Nicolaus & Co., a veteran of both world wars, spoke on "On-the-Job Training for War Veterans." Fred A. Johnson discussed a proposal to form a Chicago Fraternal Underwriters Club. President Below of N.F.C. extended the welcome in a morning session.

Contact between life insurance policyholders in this country should be made and maintained so that they will know what goes on which affects their insurance protection, Phil S. Hanna, financial editor of the Chicago "Daily News," declared in his address. All of the economic, political and sociological changes which are taking place are having or may have some effect on life insurance protection and the people who own the policies ought to be kept well informed.

Federal Debt Great Problem

He pointed out that if the national debt, \$300 to \$320 billion, continues along its present trend and the interest bill on the debt is not reduced this alone will have a strong effect on insurance.

Yet he is not pessimistic about the future of the country or about the government going too far or all the way into the insurance business, for he believes a movement that was started by little industrial and business plants of the country to install their own social security plans such as pensions, hospitalization, and so forth, will bear fruit in limiting the spread of the federal social security idea. He claimed that not many of these little plants which have such plans are having labor trouble now. The effect of this example is cumulative, he said. It is spreading over the country.

"I expect in 10 years to see as great a number of people under private plans, principally covered by insurance, as now are under social security," he said. "I believe this is true because the government doesn't do the job economically as it must be done. Such private plans of social security are one solution of our labor troubles."

ers, told the sales congress of the Nashville Association of Life Underwriters.

"Hospital and medical insurance is a billion dollar field," he said, "but many companies are staying out of it, apparently because of expense involved. This type of insurance will not work on a 50-50 basis. It will require about 75% for losses and 25% for expenses, with a few companies already thinking in terms of 85% and 15%. This makes individual solicitation out of the question. Our department considers 50 as the group minimum. Some companies have fixed 30 as their minimum, which is a matter for the company's actuarial department to decide. Few, if any, of the companies have as yet offered a policy on the basis that has the green light from the federal government."

Commissioner McCormack explained the existence of separate laws legalizing hospital and medical insurance, which no state has provided for yet, because of the insistence of the hospital management and of medical men that each have complete control of its own insurance setup and that each group be equally free from public control.

He believes a successful federal approved plan of hospital insurance must be on a basis that will provide for payment in full of the amount charged by each individual hospital. The hospital, and not the insurance company or any other agency, must determine the amount the policy pays. The same is true of any acceptable insurance plan.

"On any other basis, the hospitals consider insured patients in the same class as charity cases, which they prefer to select themselves," he explained. The commissioner also outlined what the Tennessee department has done to encourage the Blue Cross setup.

La Salle County, Ill., Group to Broaden Its Scope

G. A. L'Estrange, vice-president and agency director of Wisconsin National Life, spoke at the February meeting of the La Salle County (Ill.) Association of Life Underwriters in Ottawa on "Attitude," pointing out the many things that the life man can do for the good of his country, his company and himself.

Immediately following the meeting, President Paul E. Larson, Mutual Trust Life, called a meeting of the directors and committee chairmen. Due to the ever-broadening scope of activity of the association, and the affiliation as members of life men outside of the county, its name was changed to Illinois Valley association. Consideration was given to plans for advertising and a committee named to present suggestions and costs at a meeting March 21 in Streator.

Elyot Sawyer, chairman of the education committee, announced that moving pictures prepared under the direction of the National association would soon be available for use in grade and high schools of this area, to supplement the

LEGAL RESERVE FRATERALS

Mrs. Gorman New Ill. Congress Head; View Guertin Law

Mrs. Margaret Gorman of Royal Neighbors in Chicago, vice-president Illinois Fraternal Congress, was advanced to president there Friday. She succeeds Joseph F. Sheen, attorney for Security Benefit in Chicago. Fred A. Johnson, head of Royal League, Chicago, was elected vice-president; R. H. Matthias, of the Ekern, Meyers & Matthias law firm, Chicago, reelected secretary and C. J. DelVecchio, Royal League, reelected treasurer.

Mr. Sheen and Mrs. Huldah Donohoe, state manager for Woodmen Circle, Springfield, were named on the executive committee which also includes O. E. Aleshire, Modern Woodmen; Walter C. Below, Fidelity Life, Fulton, Ill., president National Fraternal Congress; Mrs. Antonette Czerniak, Polish Roman Catholic Union; Thomas R. Heaney, Catholic Order of Foresters, Chicago; William F. Schultz, Aid Association for Lutherans, and Otto Hanson, Independent Order of Svithold.

Takes Up C.S.O. Table

An interesting discussion of the effect on fraternal of the Guertin bills was conducted by E. D. Brown, Chicago fraternal actuary. He warned that any society considering a change to the commissioners standard ordinary mortality table study carefully the question whether its experience justifies such a change. A very substantial readjustment would be required in the dividend structure which now largely is made up from mortality gains, he said. Societies might even have to pay their dividends from expense funds. The C.S.O.

table has very sharply reduced mortality margins.

Mr. Brown said the N.F.C. committee of which he has been a member for several years investigating the C.S.O. table and the Guertin non-forfeiture proposals found out that C.S.O. would be a suitable standard for a large number of fraternal societies. It studied the experience of some 60 societies over the last 10 years. The aggregate of the societies had an experience within the C.S.O. table, Mr. Brown said but some individually were in excess and others below. Societies writing the larger proportion of the new business easily could qualify for the C.S.O. table but many of the foreign language societies, those with special hazards, and those which have not kept pace with the institution, perhaps could not qualify.

Lower Rate Assumption

At present the societies expect large mortality gains at younger ages but under C.S.O. this could not be expected, so that any society that would adopt the C.S.O. table would have to make a lower interest assumption to compensate for the loss of mortality margin. Companies which have adopted the C.S.O. table are going on a 2½% assumption, he said.

Mr. Brown pointed out that among advantages of the commissioner's table, however, are that the mortality standard is more realistic, and that the lower interest base prevents anticipating interest gains and avoids losses. Also, since all life insurance companies will be required by the statutes of most of the states to use the C.S.O. table on and after Jan. 1, 1948, if the fraternal do not adopt this table there will be harmful competition between the two institutions.

Adoption of the lower interest assumption generally would result in in-

THE PRAETORIANS

Adult and Juvenile Policies on the Easy Monthly Payment Plan, giving one the opportunity to budget his Life Insurance protection along with his other monthly bills.

LEGAL RESERVE FRATERNAL INSTITUTION

Organized in 1898

Forty-Five Years of Insurance and Fraternal Service
Home Office—Praetorian Building—Dallas, Texas

ASSOCIATIONS

Hospital-Medical Cover a "Must," McCormack Says

NASHVILLE — "Private insurance companies must find a safe and successful plan for selling and servicing hospital and medical insurance or abandon the field—a tremendous field—to the benevolent associations and the federal government," Commissioner McCormack, who is president of the National Association of Insurance Commission-

Fraternal Society for Women and Girls

Supreme Forest WOODMEN CIRCLE
Omaha, Nebraska

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1899

A Legal Reserve Fraternal Benefit Society

Bina West Miller
Supreme President

Frances D. Partridge
Supreme Secretary

Port Huron, Michigan

program of visual education of the school system.

Caravan to Visit All Missouri Associations

ST. LOUIS—Adam Rosenthal, Acacia Mutual, president Missouri Life Underwriters Association, has announced that all local associations will be visited the last half of March by the state sales congress caravan under the leadership of Richard H. Bennett, Reliance Life, state program chairman. Outstanding Missouri life men will participate in the caravan programs and President Rosenthal plans to visit officers of each local group.

The annual meeting of the Missouri association will be held in St. Louis on May 16-17 with a sales congress May 17. Members of the Missouri Leaders Round Table will be especially honored.

Covalt Elected Head of New Mattoon, Ill., Group

PEORIA, ILL.—C. C. Covalt, Massachusetts Mutual, was elected president of the Mattoon Association of Life Underwriters at an organization meeting in Mattoon, Ill. Other officers named include:

Robert Welsh, State Farm, vice-president; Glen E. Lupton, Prudential, secretary-treasurer, and four directors, Helen Pegelow, Massachusetts Mutual; V. L. Dogar, Prudential; Leonard Fish, Equitable of Iowa, and B. T. Goodwin, Metropolitan.

State officers who attended the session included E. C. Martin, Alton, Fidelity Mutual; Roy Carlton, Danville, secretary-treasurer, and Margaret Becker, Peoria, executive secretary.

Indiana State Meeting May 4

Lewis I. Petzold, John Hancock, Evansville, president of the Indiana Association of Life Underwriters, announces that the association meeting will be held May 4 in Indianapolis. It will be preceded by a meeting of the Indiana Leaders Club May 3.

Iowa Quarter Million Meet

About 50 members attended a one-day meeting of the Iowa Quarter Million Dollar Club at Des Moines. Paul Millett, estate planning expert, Chicago, spoke on "Business Insurance and Estate Planning."

In a round table discussion members presented practical selling ideas. Lowell Schwinger, Waterloo, won first prize; William E. Markle, Clarinda, second, and C. V. Shepherd, Cedar Rapids, third.

Duckett to Speak in Kansas

The Hutchinson (Kan.) Life Underwriters Association has announced a special meeting for March 20, when Alfred C. Duckett, Northwestern Mutual, Los Angeles N.A.L.U. trustee, will speak. All life agents from southern and western Kansas have been invited.

The Topeka association will be host at a similar meeting with Mr. Duckett March 19, following the Omaha mid-year meeting of N.A.L.U.

Flying Squadron at Salt Lake

SALT LAKE CITY—The "flying squadron," arriving here from Denver, remained for 2½ days. One afternoon about 250 agents, army officials, veterans' administration representatives, civic and church organizations, business men, attended the veterans' affairs seminar. The same night the three made talks over station KSL. They left here for Portland.

Thomas Heads Ga. Round Table

ATLANTA—Charles L. Thomas, Atlanta, was elected chairman of the Leaders Round Table of the Georgia Association of Life Underwriters at its

meeting here. He succeeds Lawrence Steinhilber, Savannah.

Warren Timmerman, Macon, is vice-chairman, and Warren R. Woodward, Atlanta, secretary-treasurer.

Chattanooga—R. L. Maclellan, vice-assistant of Provident Life & Accident, spoke on "National Service Life Insurance." Mr. Maclellan during the war headed the allotment division of the army, handling the largest block of life insurance ever handled by one man. He had the rank of lieutenant colonel.

Montreal—J. A. McAllister, director of agencies Sun Life of Canada, spoke on "Selling Today."

Charleston—Norman Smyth, agency assistant of National Life of Vermont, spoke on "Planned Work Habits." He emphasized three fundamental habits essential to success of an agent: persistent study to acquire knowledge; systematic work habits; continuous practice in friendly service. LeRoy L. Osborn, president, presided.

Rockford, Ill.—David W. Fairfield, special agent of the Todd agency of Northwestern Mutual in Chicago, will be on the program at the annual sales congress here March 2, giving a talk on "Simple Programming." He is a very successful agent and was one of the first to study and use the programming method. He has developed it into what he calls a "Plan of Living." Four other speakers from Iowa, Michigan, New York and Wisconsin will tell their sales methods.

Atlanta—Actuarial aspects of impending changes in life insurance were discussed last week by Joseph B. McLean, vice-president and actuary Mutual Life, at a meeting of the Georgia association. Mr. McLean discussed the probable effects on premiums, reserves, dividends and non-forfeiture values of the Guertin laws which will go into effect on Jan. 1, 1948.

Syracuse—Nearly 1000 from up state New York are expected to attend the victory sales conference next May 10 in Syracuse. It will be the first since 1940.

Lawrence, Kan.—The 13th Kansas association was formed by State President P. A. Miller, New England Mutual, Topeka.

Dodge City, Kan.—Judge Evans of the probate court spoke on the probating of wills and the proper naming of beneficiaries, urging the naming of minor children as beneficiary.

Peoria, Ill.—Raymond W. Hilgedag, legal editor, Research and Review, addressed a luncheon meeting on the current tax situation, saying it was doubtful that additional tax reductions would be forthcoming before next year. Serving of the national debt and financing the veteran's program are two reasons for this conclusion.

Waterbury—Excellent selling conditions are certain to continue for some time, Edward C. Andersen, assistant superintendent of agencies of Connecticut Mutual, declared.

Mr. Andersen said national income will be high while the nation stocks up on commodities, people have become better acquainted with the idea of insurance, and have a higher regard for it. As a result of social security and NSLI, high income taxes mean that insurance is the only way that the average man can create an estate.

Mobile, Ala.—Lt. Commdr. Thompson McRae, who has been in the navy since 1940, was guest speaker. Before going into service he was with Penn Mutual.

Richmond—Principal speakers at the February meeting were Howard D. Goldman, Northwestern Mutual, and W. G. Neal, Metropolitan. Mr. Goldman, a premier producer for Northwestern, said programs for life insurance have to be revised these days due to the fact that the income tax and other elements are changing the picture from what it used to be.

Mr. Neal stressed the great service that industrial insurance is rendering the life business. It is found, he said, that persons first sold on the industrial idea develop later into good prospects for ordinary insurance. Released from the service a few months ago, he wrote \$105,000 in ordinary for his company in January. He served as a commander in the navy.

Evansville—Speakers at a regional sales congress here April 4 include John Jamison, Northwestern Mutual, Chicago; Arthur Priebe, Penn Mutual, Rockford,

Ill.; T. H. Tomlinson, from the head office of Bankers Life of Des Moines, and John Moynahan, Metropolitan Life, Berwyn, Ill., N. A. L. U. trustee.

Denver—Wallis Boileau, Jr., second vice president of Penn Mutual Life, warned against mass recruiting and spoke at length on the responsibility of the agent toward conservation of National Service Life Insurance and his responsibility to maintain the high level of selectivity and training of new agents.

A public meeting on veterans affairs was conducted by the "flying squadron" of the Veterans Administration and N.A.L.U.

Seattle—Miss Elma Easley, chairman of the women's committee of the National Association of Life Underwriters, will be honored at a dinner meeting of the Seattle women's committee April 12.

Rochester, N. Y.—George P. Shoemaker, general agent of Provident Mutual Life in New York city spoke on "Where Do We Go From Here?" He discussed application of life insurance principles to present business and financial problems and in an analysis of the modern agent brought out the necessity to have departments of a one man business function as any other successful organization.

Emporia, Kan.—A discussion on "Retirement Income at 65" was led by Harold Lunsford, Farmers & Bankers, past president of the Kansas association.

Birmingham, Ala.—Clancy D. Connell, N.A.L.U. president, spoke at a luncheon meeting. Life men from throughout the state attended.

Palm Beach County, Fla.—At a luncheon and sales congress in West Palm Beach, W. J. Hamrick, vice-president Gulf Life, spoke on "If I Were Your Prospect." H. H. Hampton, president, conducted the first session. Bert Nelson, Milwaukee, for 26 years a leading producer of Northwestern Mutual, spoke in the second session on "Sign Here." E. A. Vossmeier, vice-president, presided. Mr. Nelson is vacationing in Ft. Lauderdale and devoted a day of his vacation to attend the congress.

Northern New Jersey—L. W. S. Chapman, C.L.U., director of service and company relations of the Life Insurance Agency Management Association, in a luncheon meeting in Newark, gave some interesting pointers that would lead to successful sales. He said life insurance taken out this year would work miracles for the younger generation.

Columbus, O.—Miss Hermine R. Kuhn, home office field assistant of Manhattan Life, spoke on "Selling the Average Sized Case."

Portland, Ore.—At a ladies' night dinner, Dr. Peter Odegard, president of Reed College, spoke on "Are We Civilized, or Why We Behave Like Human Beings."

Vancouver, B. C.—John D. Hare, London Life, has been elected president. He succeeds Harry J. Rogers, Sun Life.

Norfolk, Neb.—Speaker at the February meeting of the Northeast Nebraska Life Underwriters Association was Frank McDevitt, president of the Nebraska Association, who stressed the importance of National Service Life. Plans for a membership drive were aired by the membership committee.

New Orleans—Clancy D. Connell, N.A.L.U. president, predicted a big boom

in life insurance production. Following the former war he said war risk insurance proved the biggest boon that ever happened to the life insurance business, giving the veteran an appreciation of life insurance such as he never had before. He urged cooperation in keeping National Service Life Insurance in force.

Southern Round Table Meets May 13 at Greensboro

Meeting of the Southern Round Table has been announced for May 13-14 at Greensboro, N. C. The executive committee of the Life Insurance Advertisers Association will meet there May 12.

Great-West Life Detroit Agency Makes Big Gains

DETROIT—Twelve members of the Detroit branch of Great-West Life under Manager A. P. Johnson qualified for the 1946 President's Club, five of them making the quarter-million section. Average production of the 12 men was \$203,500 and the average policy sold by the entire agency rose from \$6,675 last year to \$7,829. The agency's increase in force was \$2,600,000. Agency leader was R. P. Innes, 70 cases for \$522,000, and runner-up was Duncan Bell. Others who made the quarter-million section were Fred Ensminger, Harry Himmelstein and Ernest Robichaud.

S-Day Plans in N. Y. Are Kept in Handy Drawers

NEW YORK—Preparations made by insurance offices to meet the threatened subway strike have been shelved for the moment after the strike was called off late Tuesday. However, the plans are being kept in a handy drawer in case the danger again arises.

The insurance companies and offices planned to keep open if possible. Metropolitan Life estimated that approximately half of its personnel might be able to get to work. New York Life and other companies intended to use whatever employees could make it to maintain a skeleton force and keep the machinery running.

The Home fleet had completed arrangements for employees with cars to transport other employees in their neighborhood to the office. Biggest problem anticipated was parking since the city would not relax parking restrictions because of the fear of traffic snarls and bottlenecks such as plagued Philadelphia during the recent transportation strike there.

Actuaries Set Meeting Dates

The spring meeting of the American Institute of Actuaries will be held at the Edgewater Beach Hotel, Chicago, June 6-7. The fall meetings of the institute and Actuarial Society of America will be held jointly at the Netherlands Plaza Hotel, Cincinnati, Nov. 11-13.

A Look at the Record

For forty-four years, through wars, epidemics and depressions, the Home Life has continued its successful operations;

Every liberal practice consistent with safety of policyholders' funds has been adopted;

Insurance protection at guaranteed low cost has been provided to its policyholders;

Every eligible member of the family can secure a policy for every purse and purpose with premiums payable weekly, monthly, quarterly, semi-annually or annually to suit the policyholders' convenience.

THE HOME LIFE INSURANCE COMPANY OF AMERICA

Executive Offices

PHILADELPHIA, PA.

President: Daniel J. Walsh Secretary: Bernard L. Connor

Treasurer: Charles T. Chase

SECURITY AND SERVICE SINCE 1899

ACTUARIES

CALIFORNIA

Barrett N. Coates Carl E. Herfurth
COATES & HERFURTH
 CONSULTING ACTUARIES
 600 Market Street 437 S. Hill Street
 SAN FRANCISCO LOS ANGELES

ILLINOIS

DONALD F. CAMPBELL
 and
DONALD F. CAMPBELL, JR.
 Consulting Actuaries and Public Accountants
 35 Years of Service
 100 North La Salle Street, Chicago, Illinois
 Tel. State 1336

WALTER C. GREEN
 Consulting Actuary
 211 W. Wacker Drive
 Chicago
 Franklin 2633

HARRY S. TRESSEL
 Certified Public Accountant and
 Actuary
 10 S. La Salle St., Chicago 3, Ill.
 Associates
 M. Wolfman, F. A. I. A. Franklin 4020
 N. A. Moscovitch, A. A. I. A.
 W. H. Gillette, C. P. A.
 W. P. Kelly

INDIANA

Haight, Davis & Haight, Inc.
 Consulting Actuaries
 FRANK J. HAIGHT, President
 Indianapolis — Omaha

HARRY C. MARVIN
 Consulting Actuary
 221 E. Ohio Street
 INDIANAPOLIS, INDIANA

NEW YORK

Established in 1885 by David Parkes Fackler
FACKLER & COMPANY
 Consulting Actuaries
 8 West 40th Street New York

Consulting Actuaries
 Auditors and Accountants
Wolfe, Corcoran and Linder
 116 John Street, New York, N. Y.

PENNSYLVANIA

FRANK M. SPEAKMAN
 CONSULTING ACTUARY
 Associate
 E. P. Higgins
 THE BOURSE PHILADELPHIA

Social Security Hearings Presage Changes

(CONTINUED FROM PAGE 15)

without consent of the people, and life companies could not," said Gearhart.

Altmeyer said alternatives to the present system of financing social security would be to increase payroll taxes "by 5% or more ultimately," or government subsidy payable by uninsured persons to help support the system.

When Gearhart inquired if the system is not "analogous to old line life companies," Altmeyer said: "No, because the government has the taxing power and can increase the rates. Private companies would not likely do that. Fraternals tried that with disastrous results. As rates go up people won't pay them, drop out, and current payment of policies would outrun receipts.

"That is the mutual system," said Gearhart.

Altmeyer said the system is not like old line life companies because rates would have to be high enough at the beginning to meet all eventualities.

Gearhart claimed that on a pay-as-you-go basis under which receipts would be used to pay matured claims currently, social security could "get by on 1/4% tax on employer and employees at present, but the percentage might have to be raised later. Why go through all this elaborate financing," he asked which he predicted, will lead to disastrous conclusion.

Altmeyer replied that young people would have to "pay higher rates than for private insurance; the maximum would have to be 10% instead of 6%."

Herewith is the illustrative form for possible use in collecting social security tax on income from self-employment in connection with the individual income tax. This form would be a perforated attachment to the individual income tax return form 1040.

SCHEDULE OF SOCIAL SECURITY TAX ON INCOME FROM SELF-EMPLOYMENT

- Social Security Account Number.....
 Home Address.....
 Business Address.....
 Nature of Business.....
 1. Enter net profit from Rents and Royalties from Schedule B.....
 2. Enter net profit from Business or Profession, Item 22 Schedule C.....
 3. Enter income from partnerships, syndicates, etc. from Schedule E.....
 4. Total of lines 1, 2, and 3.....
 5. Enter total wages received by you as an employee on which Social Security Tax has been paid.....
 6. Subtract item 5 from \$3600 and enter difference.....
 7. Enter Line 4 or line 6 whichever is smaller. (this is your income from self-employment on which Social Security tax is due.).....
 8. If line 7 is \$500 or less, enter 1% of line 7; if it is more than \$500 enter \$5.....
 9. If line 7 is over \$500 enter 2% of amount in line 7 in excess of \$500.....
 10. Total of line 8 and 9. This is your Social Security Tax.....

Detroit Trust Council Elects

DETROIT—V. L. Desmond, assistant vice-president Detroit Trust Co., has been elected president of the Detroit Life Insurance & Trust Council, succeeding J. W. Paige, manager of Mutual Life. H. P. Trosper, New York Life, was named vice-president; A. A. Jenkins, Manufacturers National Bank, secretary, and E. Leigh Jones, Massachusetts Mutual, treasurer.

M. D. Conklin, trust officer Fifth-Third Union Trust Co. of Cincinnati, who was a life man for 10 years before entering the trust field four years ago, pointed out the benefits from the right sort of cooperation between the two fields.

Record of 1945 Written in Superlatives

ATLANTIC LIFE

President Robert V. Hatcher reports insurance in force of Atlantic Life exceeded \$160 million, an increase of more than \$8 million.

Assets increased \$3,206,080, and total \$44,749,555. Policyholders surplus is \$2,416,055, increase \$413,297.

Bonds and cash represented 51% of assets. Benefit payments amounted to \$2,821,029.

A 5% cash dividend is payable March 15 to stock of record March 1.



Robert V. Hatcher

GENERAL AMERICAN LIFE

Net earnings during 1945 of \$3,671,095, largest in history, are reported for General American Life.

Assets are \$147,166,616, a gain of more than \$7 million. Government bonds exceed \$63 million. The market value exceeds statement value by \$1 1/2 million.

New insurance written was the largest ever. New ordinary increased 23.6%. Insurance in force exceeds \$750 million.

Benefit payments amounted to \$12,641,421, of which more than 60% represented death benefits. Organic diseases of the heart accounted for 44% of the total death claims.

Hope Tackles Policy Reserve Definition Problem

(CONTINUED FROM PAGE 6)

mathematical accumulations or terminal reserves inside the policy, and (b) the unexpired risk or mortality fund outside the policy. The use of the reserve for unexpired risk may be explained as follows: If a claim happened just before the end of the 15th year under the ordinary life policy for \$1,000 issued at age 35, the company would find that it had exactly \$253 in the mathematical accumulations of this particular policy. It would therefore have to go to the unexpired risk fund for \$747 to make up the amount of the \$1,000 claim. It should be distinctly understood that in the premium for that year the company had made a mortality charge only on the \$747 and not on the \$1,000.

New Definition

Now, I think we are about ready for our new definition of "policy reserve" in the annual statement. It would consist of two lines—first, a line entitled, say, "Mathematical accumulations required toward maturing policies," opposite which would be the total terminal reserves and deposits accumulated as of Dec. 31; and, second, a line entitled "Reserve for unexpired risk on account of premiums paid for coverage beyond Dec. 31." These two lines together would give what is now known as "policy reserve."

In addition to these, however, the well managed company has contingency funds or surplus for such eventualities as epidemics, decline in interest rate, and investment depreciation. These, like the reserve for unexpired risk, are true "reserves" in the sense that they are not ear-marked for any particular policy and cannot be considered as a liability to any particular policy.

Incidentally, the mathematical accumulations for ordinary life insurance are likely to be considerably larger, while the reserve for unexpired risk is likely to be considerably smaller, under the new commissioners' table than under the old American experience table.

Net average yield on mean ledger assets was 3.8 as compared to 4.25 in 1944. The decrease was in large measure due to additional investments in government bonds, liquidation of real estate, and the generally low interest rates.

Of the net earnings, \$2,444,918 was added to contingency reserve from which lien reductions on reinsured policies will be made. The agreement under which Missouri State Life was assumed does not call for a further reduction of liens until Aug. 31, 1948, but to make a special reduction during 1946, General American Life has requested Superintendent Jackson for permission to make a special reduction during 1946.

MUTUAL BENEFIT LIFE

Mutual Benefit Life enters its second century with assets exceeding the \$1 billion mark.

Surplus reached a new high, with a gain of more than \$3 million to \$42,850,046. Policy and annuity reserves were again strengthened, so that the rate of interest required to support them is now at no place greater than 2 3/4%.

Assets total \$1,006,427,438. New insurance amounted to more than \$170 million, and insurance in force increased nearly \$100 million.

The net rate of interest earned on invested funds was 3.21.

Claims due to war casualties on 250 lives involved insurance of about \$1,400,000. The aggregate mortality rate was favorable, being better than average for the last 10 years.

Dallas Cashiers Elect

Newly elected officers of the Dallas Life Insurance Cashiers Association are Kathryn Maxwell, State Mutual, president; Cecil Green, Ohio National, first vice-president; Hazel Roberts, Jefferson Standard, second vice-president; Lorena Combs, Manhattan Life, third vice-president; Donna Newland, Bankers Life, secretary; Hannah St. John, John Hancock, assistant secretary, and Frank McLendon, Republic National, treasurer. The chapter's membership includes representatives from 26 companies.

Actuaries Meeting

The Middle Atlantic Actuarial Club held its first mid-winter meeting since the start of the war at the Acacia Mutual home office in Washington, D. C.

Papers were read by L. C. Carlton, Life of Virginia, Miss Florence A. Watts, Monumental Life; Eugene Thore, Acacia Mutual; William R. Williamson, Social Security Board, W. D. Carlson, Sun Life of Maryland, and Harry Mehlman, Social Security Board.

Mo. Housing Bill Passed

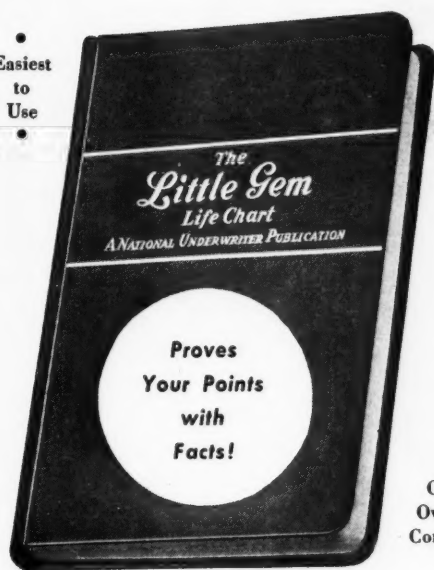
JEFFERSON CITY, Mo. — The house has passed and sent back to the senate for concurrence in amendments of a minor nature the urban redevelopment bill designed to authorize life companies to engage directly in multiple housing projects in Kansas City and St. Louis, and granting such projects partial relief from taxes for 25 years. The bill passed the senate unanimously some time ago and no opposition to the house amendments is expected.

Labor Setup of Blue Cross

The Blue Cross Hospital Plan Commission has set up a labor division in its national enrollment office at New York. Martin E. Segal is the consultant. This will be a central office for enrolling labor union members and their families. It will also aim to promote the use of Blue Cross in effectuating group insurance schemes that are contained in collective bargaining agreements.

Get these NEW, UP-TO-DATE, 1946 "Vital Statistics" of Your Business!

Easiest to Use



New Improved 1946 Edition
Ready in April

Covers Over 180 Companies

Be Sure—Have the Answers—Get Your

New 1946 "LITTLE GEM"

Proper and correct answers, given quickly, are highly important in all selling. Most unexpectedly YOU will need the answer to some question concerning Rates, Contracts, Values, Options, Incomes, Costs or Financial Statements.

Well-Informed Salesmen Make More Money

A sizable commission may hinge on your ability to give the right answers promptly. This happens daily to large numbers of life underwriters. Since YOU can't predict when you will want them, be sure YOU are *always well-prepared* with a New Little Gem.

It provides The Answers that "Get the Business"

Gives More On Important Subjects

With your New Little Gem you will have broad information on the contracts and figures of some 180 companies—*about 80 MORE* than in its principal competitor. Rates are shown for some 2600 contracts and Values are given for over 1000 different policies—in each case *over 50% more* than its principal competitor.

Much More On "Incomes"

Furthermore, the Little Gem showings of Incomes Payable under Settlement Options, *go far beyond the scope of other books*. With some 320 special income tables, the Little Gem provides the Incomes Payable under practically *all life insurance in force today*.

The Little Gem pioneered in showing the Incomes of Contracts issued years ago. Though now imitated in part, it provides much more of this highly important information than any other similar book.

Many Changes — NEW INFORMATION Essential

Even in years of less than normal changes, more than two-thirds of the Little Gem's pages are changed from the previous year. Often over 500 of its 672 pages carry changes. Thus to be sure you are right, you must have the latest, new up-to-date edition.

Don't Be "Puzzled" or Evasive Have the Facts and Be Decisive!

{ For several years there have not been enough "Little Gems" to go around. It may happen this year. Place your order EARLY! }

It will help you to —

- present your plan in the best light!
- stress your contract's strong points!
- arouse interest and sell "incomes"!
- avoid competition—close on the spot!
- increase your confidence and back up your statement with full authority!

Improved Direct-Reading Social Security Data

The new Little Gem's greatly improved illustrations of Social Security Benefits offer you direct reading tables (from which you can easily determine the promised benefits without any figuring) — each specially designed to lead right into a life insurance or retirement income sales talk.

Broad "National Service Life Insurance" Information

Enlarged, and very broad information will be presented on National Service Life Insurance, fully covering the Contract, Rates, Cash, Paid Up and Extended Values and Settlement Options — highly important data for your work in 1946!

For Early Delivery — Mail this Coupon NOW!

Put me down for

(Ready in April)

.....cop.....NEW 1946 LITTLE GEM Life Chart

* PRICES *

Single copy \$2.50
3 to 5 cop. 2.25 ea.
6 to 99 cop. 2.00 ea.
100 copies.. 1.85 ea.
250 or more 1.75 ea.

•All prices based on quantity ordered for delivery at one time. See "Note," above.

Note: Single copies (but ONLY singles) will be sent "on approval". Larger orders are NOT RETURNABLE but are subject to amendment previous to March 15, 1946.

NameTitle.....

Company

Address

City(Zone).....State.....

To The National Underwriter Co., 420 E. Fourth St., Cincinnati 2, O.



A YEAR OF ACHIEVEMENT

for Provident Mutual and Its Policy Owners

The year of 1945 was one of progress and achievement for Provident Mutual and its policy owners. Assets topped the half billion mark for the first time and now stand at 511 millions. Legal reserves and other liabilities amount to 477 millions. In addition there are special and contingency reserves amounting to 34 millions.

Twenty-seven million dollars were paid to policy owners and beneficiaries during the year including death claims, matured endowments, cash values and dividends. The dividend scale in use in 1945 is continued in 1946.

Despite the fact that many of the Company's agents were in the Armed Forces, those who remained sold 76 millions of life insurance in 1945—the highest total in the last ten years. Insurance in force reached a new high of 1,129 millions . . . a gain of nearly 40 millions.

A FINER ORGANIZATION TO SERVE YOU

When you insure in the Provident Mutual you entrust your savings to a company that is operated for and belongs to its policy owners. Such a company must constantly look ahead toward the future security of its

members. It must not only provide financial stability, safety, and security, but also an organization that is capable of rendering the highest type of life insurance service, both in the home office and in the field.

During the year we welcomed back to a depleted agency force 55 young men who had been in the Armed Forces, and added 133 new agents, many of whom were also veterans.

One of the most forward-looking trends of the year was the further development of a plan of individualized service to policy owners, integrating their present life insurance with their social security, their other investments and pension plans. With the end of the manpower shortage Provident should be able to render better policy owner service in 1946 than ever before.

M. ALBERT LINTON, *President*

A copy of the Company's Annual Report, including a list of bonds and stocks, will gladly be sent on request.

81st ANNUAL STATEMENT

As of December 31, 1945

ASSETS

U. S. Government Bonds	\$212,473,658
Other Bonds	174,871,555
Mortgages on Real Estate	52,484,208
Stocks	25,446,437
Loans on policies	20,387,856
Real Estate	13,087,960
Cash in banks and office	4,146,071
Accrued interest	3,211,822
Overdue interest	277,759
Deferred and uncollected net premiums, etc.	5,271,936
Total admitted assets	\$511,659,462

LIABILITIES

Reserve for policies and supplementary contracts	\$451,020,989
Dividends left with company	11,493,407
Dividends set aside for dis- tribution in 1946	4,290,000
Premiums paid in advance	6,691,632
Policy claims	1,620,012
Estimated taxes accrued, payable in 1946	807,486
Miscellaneous liabilities	1,534,883
Total liabilities	\$477,458,609
Special reserves	5,810,737
Contingency reserves	28,390,116
Total, equalling the assets	\$511,659,462

NOTE: The Company in December, 1945, subscribed for \$38,450,000 of United States Government bonds to be settled for in 1946, which were taken up by banks and are being held by them for the account of the Company.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY of PHILADELPHIA, PA.

PROVIDENT MEANS "LOOKING AHEAD"